Foreign
Broadcast
Information
Service
50
ANNIVERSARY
1941 - 1991

Daily Report

Soviet Union

FBIS-SOV-91-129
Friday
5 July 1991

Daily Report
Soviet Union

FBIS-SOV-91-129 CONTENTS *5 July 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

COMMUNIST RELATIONS

- Pact Disbandment Shows 'Real Partnership' *[IZVESTIYA 3 Jul]* 1
  - Yazov Refuses Comment on Dissolution *[Moscow TV]* 1
- Prospects for Ties After CEMA End Discussed *[IZVESTIYA 29 Jun]* 1

WORLDWIDE ISSUES

- Foreign Ministry Spokesman Holds Briefing *[TASS]* 3
  - 'Concern' Over SFRY Events *[TASS]* 3
  - July Summit Possible *[TASS]* 3
  - Restraint in Lebanon Urged *[TASS]* 4
  - Observance of UN Resolutions on Iraq *[TASS]* 4
  - 'Concern' Over Rapid Response Force in Turkey *[TASS]* 4
- North Atlantic Assembly Delegation Visits 5
  - 'Frank' Talks With Yazov *[TASS]* 5
  - 'Frank Conversation' With Lukyanov *[TASS]* 5
- Ignatenko Cited on G-7, New Movement *[IZVESTIYA 4 Jul]* 5
- Primakov on Gorbachev Preparations for G-7 *[IZVESTIYA 4 Jul]* 6
- CSCE Forum on Europe Opens in Vienna *[TASS]* 9
  - Official Views Issues *[TASS]* 9

INTERNATIONAL AFFAIRS

United States & Canada

- Report on Pending Bush Talks With Gorbachev *[PRAVDA 3 Jul]* 10
- Bush, Gorbachev to Discuss Moscow Summit *[INTERFAX]* 11
- 'All Parties' Gain From Yeltsin U.S. Trip *[IZVESTIYA 29 Jun]* 11
- Gorbachev Sends Bush 4 July Greetings *[TASS]* 12
- U.S. Spokesman Cited on New Democratic Movement *[TASS]* 12
- Report on Cheney Remarks on Gulf Presence *[TASS]* 12
- Commentary Views VOA, Radio Marti *[Moscow Radio]* 13

China

- Delegation Head on Chinese, USSR Reforms *[Moscow International]* 13
- CPC Assessed on Seventieth Anniversary *[SOVETSKAYA ROSSIYA 28 Jun]* 14
- Dalai Lama To Visit Moscow 16
  - Agenda *[INTERFAX]* 16
  - Issue of Visit Discussed *[INTERFAX]* 16

Northeast Asia

- Primakov Pays 4-Day Visit to Japan 16
  - To Brief Kaifu *[Tokyo KYODO]* 16
  - Arrives *[TASS]* 17
  - Comments on Visit *[Tokyo TV]* 17
- Kaifu, Gorbachev to Meet in London *[Moscow International]* 17
- Japan Changes Stance on G-7 *[TASS]* 17
- Western Influence Seen Changing Japan's Policy *[PRAVDA 2 Jul]* 18
- Japanese Businessman Stresses Economic Relations *[INTERFAX]* 18
- Symposium on Soviet-Japanese Ties to Open *[INTERFAX]* 18
- Japanese Delegation To Visit Urals *[INTERFAX]* 18
- Observer on Japanese Cooperation in Fishery Plans *[Moscow International]* 19
- USSR-ROK Venture Celebrates 2d Anniversary *[Moscow TV]* 19
- South Korean Fishing Schooner Detained *[TASS]* 20
- No Link Between U.S. Forces, DPRK Inspection *[Mosow International]* 20

Commentator Views No-Bush Meetings *[Moscow International]* 21
DPRK Diplomat Discusses Reunification *[Moscow International]* 21
Mongolian Lesser Hural in Extraordinary Session *[TASS]* 23

Sub-Saharan Africa

Commentary Welcomes RSA Nuclear Decision *[Moscow International]* 23
PRAVDA Reports Greetings to ANC Conference *[2 Jul]* 24
Angola To Ask USSR To Write Off Debt *[TASS]* 24
CPSU Delegation Ends Zimbabwe Visit *[TASS]* 24
Lukyanov Receives Senegalese Delegation *[Moscow TV]* 25

East Europe

Delegation in Prague Urges Unity in SFRY *[INTERFAX]* 25
Official Comments on Yugoslav Conflict *[INTERFAX]* 25
CPSU Sends Greetings on Yugoslav Anniversay *[PRAVDA 4 Jul]* 25
Messages Exchanged on Troop Withdrawal 26
    Hungarian President Thanks Gorbachev *[PRAVDA 2 Jul]* 26
    Gorbachev Reply *[PRAVDA 2 Jul]* 26
Soviet-Bulgarian Foreign Ministries' Statement on Ties *[TASS]* 27
Bulgarian Industry Minister on Moscow Talks *[IZVESTIYA 1 Jul]* 27
New Aircraft Exhibited in Bulgaria *[Moscow TV]* 27
Nishanov Receives Romanian Ambassador *[IZVESTIYA 29 Jun]* 27
Albanian Parliamentary Delegation Arrives *[TASS]* 27

West Europe

Gorbachev-Kohl 5 July Meeting Previewed 28
    Observer Comments *[TASS]* 28
    Moscow Radio Report 28
    TASS Discusses Agenda 29
Gorbachev Meetings in London Reported 29
    Mitterrand 17 July *[TASS]* 29
    Andreotti, Mulroney 18 July *[TASS]* 29
Gorbachev Discusses G-7 With UK Officials *[TASS]* 29
Observer Assails Woerner, Galvin Concepts *[TASS]* 29
Forces Command Complains of German Treatment *[TASS]* 30
Possibility Raised of Delaying Troop Withdrawal *[KRASNAYA ZVEZDA 28 Jun]* 30
Attacks on Soviet Forces in Germany Increase 31
    Summary of Incidents *[KRASNAYA ZVEZDA 28 Jun]* 31
    Soldier's Burned Body Found in Leipzig *[TASS]* 31
FRG Official on Autonomy for Volga Germans *[Berlin ADN]* 31
'Disruption' in USSR-Former GDR Trade *[INTERFAX]* 32
Problems Dominate Pavlov Talks in Austria *[PRAVDA 29 Jun]* 33
Reportage on Pavlov's Visit to Austria *[cross-reference]* 33
Economist Yavlinskiy Sets Off on European Tour *[INTERFAX]* 33
Benetton Cited on Soviet Market Plans *[IZVESTIYA 1 Jul]* 34
Lukyanov Receives Finnish Parliament Chairman *[Moscow TV]* 34
EC Luxembourg Summit Examines Aid for USSR *[IZVESTIYA 2 Jul]* 34

Latin America & Caribbean

Mexican President Pays Visit to USSR 35
    Issues to be Discussed *[INTERFAX]* 35
    Diplomat Previews Visit *[TASS]* 35
    Salinas Arrives *[TASS]* 36
    Holds Kremlin Talks *[TASS]* 36
    Mexican Daily Interviews Gorbachev *[Madrid EFE]* 36
    Agreements Signed *[Moscow International]* 37
    Gorbachev, Salinas on Talks *[Moscow TV]* 37
    Gorbachev Hosts Dinner *[Moscow Radio]* 38
Gorbachev on 'Normalization' of U.S.-Cuban Ties *[Havana Radio]* 38

NATIONAL AFFAIRS

Political & Social

- Shevardnadze CPSU Resignation Letter Published *[INTERFAX]* 39
  - Interviewed by NEW TIMES *[TASS]* 39
  - On Need for 'Constructive Opposition' *[Berlin ADN]* 39
  - Interviewed on Leaving CPSU *[KOMSOMOLSKAYA PRAVDA 5 Jul]* 40
  - CPSU Says Letter Not Received *[TASS]* 40
- Interparty 'Democratic Moscow' Forum Founded *[TASS]* 40
- Volskiy Interviewed on Democratic Movement *[Moscow TV]* 41
- Gorbachev Adviser on Democratic Reform Movement *[Moscow Russian TV]* 43
- United Democratic Movement's Eclecticism Attacked *[SOVETSKAYA ROSSIYA 3 Jul]* 43
- PRAVDA on 'Democratic and Reformist' Movement *[3 Jul]* 44
- Sobchak Cited on Plans for New Party *[Copenhagen BERLINGSKE TIDENDE 2 Jul]* 44
- CPSU Cooperation With Democrats Not Ruled Out *[TASS]* 45
- Politburo Urges No Delay on Union Treaty *[TASS]* 45
  - Schedules Central Committee Plenum *[TASS]* 46
  - Meeting Agenda Reviewed *[INTERFAX]* 46
- Nazarbayev Cited on Union Treaty *[IZVESTIYA 5 Jul]* 46
- Republican Leaders Urge Early Signing of Treaty *[TASS]* 47
- Gorbachev Speaks at CPSU Program Discussion *[PRAVDA 3 Jul]* 47
- Gorbachev Says Secretary Post Issue Resolved *[INTERFAX]* 55
- Gorbachev Said Not Preparing Special G-7 Program *[INTERFAX]* 56
- Shenin Criticizes Magazine Items on Gorbachev *[PRAVDA 4 Jul]* 56
- TASS Reviews 4 Jul Press 57
- TASS Reviews 5 Jul Press 57

Economic

- Premier Pavlov Answers Questions on Economy *[Moscow TV]* 58
  - More on Pavlov Briefing *[Moscow Radio]* 58
- Pavlov, Gorbachev View Economic Performance *[PRAVDA 3 Jul]* 59
- Government Discusses Country's Financial Collapse *[Moscow Radio]* 61
- Cabinet Discusses Financial Issues, Problems *[TASS]* 61
- Economist Says Union Economic Crisis Unavoidable *[Moscow Radio]* 62
- Yavlinskiy on Economic Crisis, Market Reform *[TASS]* 62
- Details of Chevron-Tengiz Deal Examined *[ARGUMENTY I FAKTY No 25]* 63
- Defense Conversion Tied to Moscow Reconstruction *[TASS]* 64

Agricultural

- Pavlov Remarks on Agriculture Reported *[SELSKAYA ZHIZN 5 Jul]* 65
  - Pavlov Clarifies Statement *[INTERFAX]* 66
- Harvest Figures 'Just Over Half' Last Year's *[SELSKAYA ZHIZN 5 Jul]* 66
- June Crop Status, Weather Situation Detailed *[SELSKAYA ZHIZN 5 Jul]* 66
  - More on Harvest Situation *[SELSKAYA ZHIZN 28 Jun]* 67
- Latvian Premier on Impact of Poor Harvest *[BALTFAX]* 68
- Denmark, Baltics To Cooperate in Agriculture *[TASS]* 68
- Impact of Weather on Farming Areas Viewed *[PRAVDA 27 Jun]* 68

Military

- Yazov Addresses All-Army Komsomol Conference *[KRASNAYA ZVEZDA 2 Jul]* 69

REGIONAL AFFAIRS

Baltic Republics

- No Possibility of Latvia Signing Union Treaty *[Riga Radio]* 70
  - Latvian Official on Treaty *[BALTFAX]* 70
- Next Latvian-USSR Talks Set for 4-5 July *[TASS]* 70
  - Talks Reportedly Delayed *[Tallinn Radio]* 70
  - TASS Reports Postponment 71
  - Bisers Comments on Postponement *[Riga Radio]* 71
- Lithuanian Premier Sends Telegram to Gorbachev *[TASS]* 72
  - Telegram to Pavlov Cited *[Vilnius Radio]* 72

New Lithuanian Military Commanders Reported *[BALTFAX]* 72
Lithuania Expresses Support for Slovenia *[Vilnius Radio]* 72
    Messages Exchanged *[BALTFAX]* 73
Vilnius To Mark Anniverary of TV Tower Attack *[Vilnius Radio]* 73
'Violent Activity' by OMON Continues *[Riga Radio]* 73
Tallinn Hosts International Business Conference *[BALTFAX]* 73

RSFSR

Russian Supreme Soviet Adopts Privatization Laws *[TASS]* 74
RSFSR Supreme Soviet Discusses Union Treaty *[Moscow Radio]* 74
Silayev 3 Jul Supreme Soviet Speech *[Moscow Russian TV]* 75
Mikhaylov Criticizes Silayev Approach on Economy *[PRAVDA 4 Jul]* 76
Law Fixes Status of President, Vice President *[SOVETSKAYA ROSSIYA 2 Jul]* 77
Yeltsin Hopes Democratic Reform Movement Develops *[Moscow Russian TV]* 77
Rutskoy, Yeltsin on Forming Democratic Party *[Moscow Russian TV]* 77
Yeltsin on Issues of Novo-Ogarevo Meeting *[Radio Rosii]* 78
Yeltsin Meets 'Siberian Accord' Leadership *[ROSSIYSKAYA GAZETA 2 Jul]* 78
'Sources' Report Polozkov Resigns as Party Head *[TASS]* 79
    Aide Says Rumors 'Fabrication' *[TASS]* 80
    Polozkov Denies Rumors *[INTERFAX]* 80
Press Conference on Moscow Administrative Reforms *[IZVESTIYA 1 Jul]* 80
RSFSR Supreme Soviet Session 2 July *[Moscow Russian TV]* 81
RSFSR Supreme Soviet Proceedings 3 July *[Moscow Russian TV]* 81
RSFSR Supreme Soviet 4 July Proceedings *[Moscow Russian TV]* 82

Western Republics

Belorussian Supreme Soviet Deputies Visit U.S. *[Minsk Radio]* 82
PRAVDA Covers Belorussian CP Plenum *[2 Jul]* 83
Belorussia Issues Instructions on Emigration Law *[INTERFAX]* 83
Belorussia Discusses Cooperation With Mongolia *[Minsk Radio]* 84
Moldovan Official on Declining Joint Ventures *[TASS]* 84
Ukranian Parliament Discusses Union Treaty *[Kiev International]* 84
Ukrainian Leader Talks to People in Kharkov *[Kiev International]* 85
Ukraine Supreme Soviet Pressured by Demonstrators *[PRAVDA 1 Jul]* 85
Ukrainians Said Jeopardizing Anti-Crisis Program *[INTERFAX]* 86
Lvov Regional Council Censures Nationalists *[INTERFAX]* 86
Ukraine Begins Implementing Employment Law *[Moscow Radio]* 86
Ukraine Seeks German Investment, Technology *[Hamburg DPA]* 86
Ukraine Protests 'Biased' Vremya Coverage *[Kiev International]* 87
Roundup of Ukraine Supreme Soviet Activity *[Kiev Radio]* 88

Western Republics

Georgian Leader on Republic Issues, Center Ties *[IZVESTIYA 5 Jul]* 88
    EC Membership, 'Pressure' Viewed *[Moscow Russian TV]* 89
    'Economic War,' Independence Viewed *[Radio Rossii]* 89
    Views Democratic Reform Group *[Moscow Russian TV]* 90
State of Emergency Near Nagorno-Karabakh Lifted *[TASS]* 90
Villages in Nagorno-Karbakh Attacked by OMON *[Moscow Russian TV]* 90
Postal Links With Armenia Cut Off After 'Raid' *[Radio Rossii]* 90
Armenian Pan-National Movement Official Queried *[Moscow Radio]* 90
Military Detachment Attacked in Armenia *[TASS]* 91

Central Asia

Nazarbayev on Union Treaty, Tengiz 'Scandal' *[KOMSOMOLSKAYA PRAVDA 4 Jul]* 91
Tajikistan Lifts Dushanbe State of Emergency *[IZVESTIYA 2 Jul]* 91
Religious Freedom Law Adopted in Uzbekistan *[TASS]* 92

Pact Disbandment Shows 'Real Partnership'

PM0507103391 Moscow IZVESTIYA in Russian 3 Jul 91 Union Edition p 5

[Correspondent L. Kornilov article: "Not a 'Break,' But Real Partnership"]

[Excerpts] Prague—Thus, at midday 1 July all six delegation heads at the last conference of the Warsaw Pact Political Consultative Committee put their signatures to the protocol ending the validity of the Treaty of Friendship, Cooperation, and Mutual Aid of 14 May 1955. The final disbandment will take place after the protocol is ratified during the year by all the states' parliaments, or, rather, when all the ratification documents are handed over to the CSFR Government for safekeeping.

As is well known, the Warsaw Pact's military structures were abolished earlier—by 31 March. Now the organization's political activity too is at an end.

An example has been set of real liberation from the previous forms inherent in the long-term bloc approaches in pact thinking. A leap forward has been made toward a new state of international European relations. What has happened is natural, it has been brought about by the entire logic of development in Europe and the world, and by the major changes in the member countries and their relationships with each other. The former models of security in Europe are becoming obsolete. [passage omitted]

The conference participants adopted a joint communique stating that the present-day situation in Europe requires qualitatively new relations in all areas. These will be based on a bilateral, renewed, and legally agreed basis. The parties advocated the further development of the all-European process and stated their readiness for bilateral or multilateral consultations on topical questions of interest to them all. There was no question of any new institution to "replace" the Warsaw Pact.

A news conference then began. All the delegation heads took part in it. Quite honestly, there was no torrent of questions. The impression was that the journalists had already mulled over the news and any sensation had been left far behind...

The first question was put to G.I. Yanayev: What is the Soviet Union's attitude toward the preservation of NATO against the background of the scrapping of the Warsaw Pact? The USSR vice president replied that the Prague protocol was not a surprise: All parties had shown complete agreement and unanimity en route to it. However, we should not talk of some kind of "break." It is a question of a new stage of mutual relations which, we must hope, will involve NATO in the antibloc process too.

The second half of the news conference was essentially taken over by Voice of America correspondents, who asked all the parties to state their position on what is happening in Yugoslavia. The delegation heads naturally responded to this request, but there was no time left for questions directly connected with the disbanding of the Warsaw Pact Organization. And the question of why the Soviet delegation to such an important event was not headed by the USSR president was left unanswered. Prague will still be witnessing some in-depth talk about Yugoslavia, incidentally—at an emergency session of the 35 CSCE members Wednesday.

...The military union has been disbanded, but is not the unanimity shown in this connection another sign of real partnership? From now on valuable results will be achieved not with the help of military force or some other advantage, but only on the path of good-neighborliness, mutual understanding, respect, and friendly cooperation among equal, sovereign states.

Yazov Refuses Comment on Dissolution

LD0107205191 Moscow Russian Television Network in Russian 1645 GMT 1 Jul 91

[Excerpt] Following the dissolution of the military structure of our defensive alliance, its political bodies today cease to exist, too. Is that good or bad? Comrade Yazov told us on the telephone today that in his view this event has altogether nothing to do with the military people and he refused to give us an interview on this topic. Well, we disagree with Comrade Yazov. The Political Consultative Committee was of very great military significance. [passage omitted]

Prospects for Ties After CEMA End Discussed

PM0307134491 Moscow IZVESTIYA in Russian 29 Jun 91 Union Edition p 6

[Correspondent F. Lukyanov report: "CEMA Is Over. What Next?"]

[Excerpts] Budapest—On Friday 28 June representatives of the CEMA countries met in Budapest to sign a protocol on the disbandment of the Council for Economic Mutual Assistance. [passage omitted]

Despite all the flaws and problems, our countries' economies remain interconnected and oriented toward each other. In any event, some kind of consultative, conciliation forum is needed, although it is clear that in future the sides will give preference to bilateral ties. It has not yet been finally decided what form this forum will take. There are many differences, for instance, between the "troika"—Hungary, Poland, and Czechoslovakia—which has forged ahead along the path of transition to the market, and Cuba. The "troika," incidentally, which is already conducting talks on associate membership of the EEC, prefers that the future consultative organization include only the East European countries, and not Mongolia, Vietnam, or Cuba.

It is not ruled out that the "troika," together with the other East European countries, including the USSR, will, immediately after CEMA's disbandment, set up a special group to formulate the statutes of a new regional organization. At least there is an understanding that all these countries are united not only by their past, but also by their present—they are all embarking on the path of a market economy and inclusion in the world economy, they are united by common power and transport infrastructures, they all have common problems, from ecology to nonconvertible national currencies. So there is no point in scattering in all directions, in fact it is physically impossible. The only thing to do is to seek new forms of collaboration on an equal and mutually beneficial basis.

But the formation of a new international organization to take CEMA's place is a matter for the future, albeit the immediate future. For the moment, the former CEMA countries have to share out their property, first and foremost the Moscow headquarters, whose value, along with the attached facilities, is assessed at approximately $400-500 million. This will be the concern of a special liquidation committee formed after the signing of the document in Budapest. Hungary, Czechoslovakia, Poland, Bulgaria, and Romania have already expressed interest in joint use of the CEMA complex in Moscow, but the Soviet side has declared its desire to buy up the building, since it is on Soviet territory. (The CEMA charter granted the Soviet side this possibility.) It seems the Russian authorities also want the CEMA building.

The settlement of property disputes and claims—90 days is allowed for this—will be the last chapter in the history of the organization that was called the "Council for Economic Mutual Assistance," which existed for 42 years and six months.

Foreign Ministry Spokesman Holds Briefing

LD0307164891 Moscow TASS in English 1638 GMT 3 Jul 91

[By TASS diplomatic correspondents Konstantin Voitsekhovich and Alexander Kanishchev]

[Text] Moscow July 3 TASS—A Soviet Foreign Ministry spokesman has expressed "serious concern" over developments in Yugoslavia.

Spokesman Vitaly Churkin, addressing a briefing here today, said that clashes in Yugoslavia, which resulted in human casualties, evoked profound "regret in the Soviet Union.

"We hope that the accords on imposing a three-month moratorium on earlier decisions will materialise," Churkin said. "This would pave the way for a peaceful settlement of Yugoslavia's problems through political dialogue."

He expressed hope that the meeting of senior officials, being held today in Prague within the framework of the conference on Security and Cooperation in Europe, "will contribute to improving the situation in connection with the Yugoslav events.""

Chances that a Soviet-U.S. summit meeting will take place at the end of this month still hold good, Churkin said.

He said that yet another round of the Soviet-U.S. talks on a strategic arms reduction treaty (START) has ended in Geneva recently at deputy foreign ministerial level. Both sides expressed considerations which, "as it seems to us, help get things moving," he emphasised.

Churkin called on all sides to whom Lebanese affairs are of concern to "show restraint".

"We are confident," Churkin said, "that the solution to newly-arising problems should be sought through dialogue and mutual understanding on the basis of respect for the sovereignty of the Lebanese Republic".

"We are also proceeding from the assumption that the fulfillment of the U.N. Security Council's resolutions on the unconditional withdrawal of all Israeli troops from South Lebanon is a necessary condition for the further consolidation of Lebanon's sovereignty and territorial integrity," the spokesman" said.

Churkin said the Soviet side believes that it is necessary to wait until the U.N. secretary-general's mission publishes its official report to assess the situation at Iraqi nuclear objects.

Churkin recalled the Soviet Union's position that U.N. Security Council resolutions on Iraq "should be unconditionally and strictly observed, and Iraqi authorities should create conditions for patent implementation of measures envisaged by the resolutions".

Churkin told correspondents about the kidnapping of a Soviet specialist in India. Sergey Grishchenko working on contract at a coal mine in Assam state was kidnapped on July 1 together with 20 high-ranking Indian coal and oil corporation officials.

Churkin said some people believe that the united Assam liberation front was responsible for the kidnapping. "The Soviet Embassy called on the Indian leadership to take immediate measures to free the Soviet specilaist and ensure security for all Soviet citizens in India," Churkin said.

'Concern' Over SFRY Events

LD0307130591 Moscow TASS International Service in Russian 1240 GMT 3 Jul 91

[By diplomatic correspondents Konstantin Voytsekhovich and Aleksandr Kanishchev]

[Text] Moscow 3, Jul (TASS)—Vitaliy Churkin, head of the USSR Foreign Ministry's Information Directorate, voiced "serious concern" at a briefing today in connection with the development of events in Yugoslavia. The clashes taking place in that country, entailing human casualties, cause deep sorrow in the Soviet Union.

"We hope that the understandings that have been reached about a three-month moratorium on previously adopted decisions will be implemented," the Foreign Ministry spokesman said. "This would open up the possibility of a peaceful settlement of the problems of Yugoslavia through political dialogue." He also voiced the hope that the session of the committee of senior officials being held in Prague today in the framework of the CSCE "will make a contribution to improving the situation concerning the events in Yugoslavia."

July Summit Possible

LD0307140191 Moscow TASS in English 1351 GMT 03 Jul 91

[By TASS diplomatic correspondents Konstantin Voitsekhovich and Aleksandr Kandishchev]

[Text] Moscow July 3 TASS— Chances that a Soviet-U.S. summit meeting will take place at the end of this month still hold good, Soviet Foreign Ministry spokesman Vitaliy Churkin told a briefing here today.

He said that yet another round of the Soviet-U.S. talks "on a Strategic Arms Reduction Treaty (START) have ended in Geneva recently at deputy foreign ministers' level." A date for a Soviet-U.S. summit in Moscow depends on how quickly the work to prepare the treaty is completed, he added.

Although there were no "dramatic breakthroughs" during this round of the talks, still, in the opinion of the Soviet side "a certain amount of useful work was done."

Churkin said. Both sides expressed considerations which, "as it seems to us, help get things moving," he emphasised.

The Soviet side believes that certain additional thinking will be needed to make further headway and in the end lead to finalising the elaboration of the START treaty, Churkin said.

"If this happens in the coming weeks, a Soviet-U.S. summit will be held at the end of July," the Soviet Foreign Ministry spokesman said.

Restraint in Lebanon Urged

LD0307150291 Moscow TASS in English 1440 GMT 03 Jul 91

[By TASS diplomatic correspondents Konstantin Voitsekhovich and Aleksandr Kanishchev]

[Text] Moscow July 3 TASS— Soviet Foreign Ministry spokesman Vitaliy Churkin today called on all sides to whom Lebanese affairs are of concern to "show restraint".

He said in a statement relating to the latest development in Lebanon that "on the Lebanese arena important shifts continue to occur, consolidating the constitutional power and spreading its jurisdiction over the country's entire territory as envisaged by the Taif agreement. On July 1, in accordance with the resolution of the Government of the Lebanese Republic, units of the regular Lebanese Army began their entry into the cities of Saida and some other regions in south Lebanon. The leadership of friendly Lebanon is consistently pursuing the policy to implement the Taif programme. This is the best way of restoring the unity of the Lebanese state ".

On behalf of the Soviet Government, Churkin expressed support for the efforts of the Lebanese Government and added that "we call on all sides concerned to show restraint". He expressed "regret and concern" over armed clashes east of [words indistinct].

Observance of UN Resolutions on Iraq

LD0307143691 Moscow TASS in English 1420 GMT 03 Jul 91

[By TASS diplomatic correspondents Konstantin Voitsekhovich and Aleksandr Kanishchev]

[Text] Moscow July 3 TASS—The Soviet Union believes that U.N. Security Council resolutions on Iraq "should be unconditionally and strictly observed, and Iraqi authorities should create conditions for patent implementation of measures envisaged by the resolutions". Soviet Foreign Ministry spokesman Vitaliy Churkin told a briefing here today.

Churkin noted that it is necessary to avoid a situation, when the issue could spark tension in the Gulf, which could have negative consequences, including outside the region.

A U.N. inspection [team] was sent to Iraq to implement a most important provision of U.N. Security Council Resolution 687 and study the character of work at Iraqi nuclear objects.

After the Iraqi side failed to provide conditions for the inspection, a special U.N. secretary-general mission has left for Baghdad to hold top-level talks and receive guarantees from the Iraqi Government that it is ready to cooperate with the United Nations and the International Atomic Energy Agency in implementing Resolution 687.

According to reports, mission members publicly expressed their dissatisfaction with its results. Churkin said the Soviet side believes that it is necessary to wait until the mission publishes its official report.

'Concern' Over Rapid Response Force in Turkey

LD0407182591 Moscow TASS International Service in Russian 1600 GMT 4 Jul 91

[By TASS diplomatic correspondent Sergey Nikishova]

[Text] Moscow, 4 July (TASS)—Concern over plans to station a rapid response force in Turkey was expressed today by Vitaliy Churkin, head of the USSR Foreign Ministry's information directorate. During a briefing for Soviet journalists, he referred to information being received that the question of basing such a force on Turkish territory close to the border with Iraq is currently being actively discussed. This force, which it is proposed will include units from the United States, Britain, France, and probably certain other NATO countries, would direct its attention to possible action in Iraq if emergency circumstances should arise there. The Foreign Ministry spokesman pointed out that the Soviet side's concern about the stationing of the rapid response force in Turkey is caused by the fact that "it is a question of a region directly adjacent to borders with the USSR."

Vitaliy Churkin recalled that the Soviet Union had taken an understanding attitude towards the humanitarian efforts of the multinational contingent in northern Iraq and regards these efforts as having been forced and dictated by the special character of the situation. At the same time, he emphasized, "we noted before that operations of this kind should be totally supervised by appropriate UN institutions because the presence and activities of foreign forces on someone else's territory could have undesirable political and other consequences."

The Foreign Ministry spokesman expressed the conviction that the way to a normalization of the situation in northern Iraq is a successful completion of the talks between that country's government and representatives of Kurdish organizations on broadening the autonomous rights of Iraqi Kurdistan. According to him, this will qualitatively alter the whole situation in northern Iraq and will make it possible to solve the problems existing there by purely political methods.

North Atlantic Assembly Delegation Visits

'Frank' Talks With Yazov

LD0407122891 Moscow TASS International Service in Russian 1130 GMT 4 Jul 91

[By TASS correspondent Oleg Moskovskiy]

[Text] Moscow, 4 Jul—Marshal of the Soviet Union Dmitriy Yazov, USSR Minister of Defense, has received a delegation from the North Atlantic Assembly headed by its president, Charles Rouz. The delegation is in the Soviet Union at the invitation of the USSR Supreme Soviet.

"We had a detailed and frank conversation on the topical problems of present-day world development," Marshal Dmitriy Yazov said in an interview with a TASS correspondent after the meeting. He added that constructive approaches to the solution of these problems were set forth in detail by the Soviet side.

According to the defense minister, the firm line taken by the Soviet state was stressed regarding the consolidation and deepening of positive tendencies in the international situation, regarding the creation together with all countries of a reliable system of universal security and the preservation and strengthening of peace.

'Frank Conversation' With Lukyanov

LD0407120191 Moscow TASS in English 1150 GMT 4 Jul 91

[Text] Moscow July 4 TASS—Chairman of the Soviet parliament Anatoliy Lukyanov received a delegation of the North Atlantic Assembly in the Kremlin today. It is visiting the Soviet Union at the invitation of the Soviet parliament.

During a frank conversation legislators from the NATO member states were told about the law-making, inspection and international activities of the Soviet parliament. Participants in the conversation discussed issues dealing with cooperation between Soviet legislators and the North Atlantic Assembly in the interests of the creation in Europe of a new, non-confrontation system of security and partnership, including the formation of its parliamentary component.

Ignatenko Cited on G-7, New Movement

PM0307160991 Moscow IZVESTIYA in Russian 4 Jul 91 Union Edition p 4

[Report by G. Alimov: "Does the President Support the New Movement?"]

[Text] USSR President M.S. Gorbachev will leave for London for the meeting with the "seven" on the afternoon of 16 July. His speech to the leaders of the seven leading industrially developed countries will take place 17 July. Vitaliy Ignatenko, leader of the USSR president's press service, announced at a routine press briefing 2 July that direct preparation for this trip has now begun.

The Soviet president's forthcoming meeting with the "seven" is already constantly on the front pages and radio and television are devoting daily commentaries to it. Various opinions are being voiced. But to some excessively biased and unfair assessments that M.S. Gorbachev is traveling to London "with an outstretched hand" there is a quite tough response from the leaders of the "seven" themselves, for instance from President Bush, who disagreed with the reports which have appeared in the Western press (and in our press too, the briefer stressed) that in London the Soviet leader will seek large-scale financial aid for the Soviet Union.

Who Will Join the Soviet Delegation?

V. Ignatenko said that the composition of the delegation is being finalized. So far Yevgeniy Yavlinskiy left 2 July for London, Bonn, Rome, and Paris to meet with the leaders of those countries [as published] and Yevgeniy Primakov left 3 July for Tokyo, where he will be received by Japanese Prime Minister T. Kaifu and the foreign minister. Next week Academician L. Abalkin also leaves for London. To all appearances the president's delegation will also include USSR First Deputy Prime Minister V. Shcherbakov.

Program of Meetings in London

The USSR president who, incidentally, will stay at the Soviet Embassy in London, will have personal meetings with virtually all leaders of the "seven." The following schedule is now being prepared, V. Ignatenko said. For the morning of 17 July meetings are already planned for M.S. Gorbachev with F. Mitterrand, and G. Andreotti. As the president's aide put it, "the question of a meeting with the Japanese prime minister is also on the verge of being decided." The Soviet side is "very pleased" at this fact. On 17 July, as has already been reported, at the residence of the U.S. ambassador in London at a working breakfast which will last two hours the USSR president will meet with G. Bush. And if you bear in mind that a working dialogue will take place 5 July near Kiev between M.S. Gorbachev and FRG Chancellor H. Kohl, then it becomes clear that the Soviet side and the "seven" treat the meeting in London very seriously and thoroughly.

President's Reaction to Democratic Movement Manifesto

The appeal from a group of well-known political figures to join the "Democratic Reforms Movement" (see IZVESTIYA No. 156—G.A.) has attracted enormous attention from Soviet and foreign journalists. Essentially the entire second part of the briefing by the leader of the USSR president's press service was devoted to answers to questions on this theme.

"Mikhail Sergeyevich Gorbachev's first reaction is as follows," V. Ignatenko said. "He drew attention to the aims stated in this appeal, they are the pooling of forces aimed at consensus in society and at the consolidation of the interests of perestroyka and democracy. It is clear from the appeal that the movement is not of a confrontational nature, on the contrary, it invites cooperation from all parties and movements and all those who sincerely wish our cause success. And if in real life all this coincides with the declared aims, then this appeal can only be welcomed. It is a positive element in the life of society."

Did the President Know of the Creation of the "Democratic Reforms Movement?"

"The creation of this movement was of course no surprise to the president," the briefer said. "M.S. Gorbachev knew of the moods of these comrades, after all he has met with them in his practical work, through official channels. And to this day he often communicates with them. Moreover, these comrades have never concealed their intentions—either from society or from the president. But the president could not of course be a consultant or adviser for such a movement."

V. Ignatenko was asked: If the president is sympathetic toward the motives of this group, then perhaps he is examining ways of leaving his post as leader of the CPSU. And could he join this movement?

"Naturally, I do not know of such plans," V. Ignatenko stated. "Moreover, this appeal does not raise the question of any choice of person, any choice of party or withdrawal from the party. On the contrary, in this statement we saw an invitation to all democratic forces to collaborate. And here the president is faced with no dilemma."

Will the New Movement Not Become a Faction Within the CPSU?

Answering this question, V. Ignatenko said that in his opinion it would not, "no movement is to be discerned there in the direction of a faction within the CPSU." It is an independent democratic movement, he said. Journalists also asked whether the name of the movement had been discussed, for instance between Yakovlev and Gorbachev or Shevardnadze and Gorbachev.

"I have no information of that kind," the briefer said.

Primakov on Gorbachev Preparations for G-7

PM0407154991 Moscow IZVESTIYA in Russian 4 Jul 91 Union Edition p 2

[Interview with Ye. Primakov, member of the USSR Security Council, by S. Kondrashov under the rubric "Events and Comments;" date and place of interview not given: "Two Weeks Before the 'G-7'"]

[Text] [Kondrashov] Yevgeniy Maksimovich, we spoke about a month ago (cf. IZVESTIYA No. 134) immediately after your meeting with U.S. President Bush and you predicted at the time that an invitation to M.S. Gorbachev from the "G-7" would be forthcoming. Now two weeks remain before the meeting in London, interest is mounting, and you are directly involved in the preparations for the meeting. Could you tell us, to begin with, what will happen, and will the "G-7" be acquainted in advance with the text of Gorbachev's speech or other Soviet documents? Or will they have to play everything by ear?

[Primakov] Predicting the invitation was not difficult, because in principle it is not that easy to ignore the Soviet Union. How can the world economy assume a truly global character without one-sixth of the earth? Without a market such as the Soviet Union? Especially, since it is one of the last markets of this quality. It is vast in both scale and potential, including production potential. In the course of our disputes and self-flagellation we often forget what this potential represents. It is another matter that as a result of the militarization of the economy there was a gigantic "flux," but the main flow of brains and technology was not in the direction of the consumer goods production sphere. But the potential is vast, and that includes the groundwork which has been done in the fundamental sciences. So that if we are opening up toward the world, it is not advantageous for the world either to turn its back on us in the economic sphere.

[Kondrashov] This is probably also why the "G-7" is interested in the successful outcome of our reforms.

[Primakov] Unquestionably. It is perfectly obvious that the civilized industrial world is hoping that the perestroyka processes are irreversible. Otherwise there will be either an authoritarian regime, or the Soviet Union will disintegrate with all the ensuing consequences. Take a look, for example, at the predominantly negative reaction in Europe and America to the announcement by two Yugoslav republics that they are leaving the SFRY. And the disintegration of the USSR would be a much more complex and dangerous matter.

[Kondrashov] But to return to the first question: What will be the framework of the USSR president's meeting with the leaders of the "G-7"?

[Primakov] The "G-7" will end its sessions on 16 July; 17 July will essentially be devoted to the Soviet Union. The USSR president will have the opportunity to meet the leaders of the seven states both collectively and individually. Bilateral meetings have also been scheduled.

You have asked me about the text of the speech. It would, of course, be naive to think that the president will arrive, make some sort of a verbal statement, and be satisfied when he is told: This is very interesting, we will study everything. I know that M.S. Gorbachev is currently working on the text of a statement of a conceptual nature which will obviously be handed to the "G-7" participants before the meeting. Judging by appearances, it will set out the essence of the USSR president's understanding of the processes currently taking place both inside the country and the world at large.

[Kondrashov] Who is helping the president to work on this document?
[Primakov] M.S. Gorbachev has his own style of work. Currently many people are involved in this work in one form or another. It is possible to say that there has not been such "brainstorming" for some time. There is a government program which is not only open to evolution but is constantly being developed. In assessing it I would like to distance myself from its phraseology. It may be that it does not sound that good to Western ears, being too close in style to our previous documents. At the same time, however, it is a progressive program which manages to fit stabilization within the framwork of the transition to the market. This is its main basis. Then there is the Yavlinskiy program which was drawn up at Harvard University. A document has also been received from the European Bank for Reconstruction and Development. And so on and so forth. All these documents are being interpreted and synthetized. A group of people including Academician-Economists Abalkin, Aganbegyan, and Sitaryan is at work. Now the stage has arrived when the president himself is beginning to work on what has been elaborated.

[Kondrashov] It is no secret that the public is extremely worked up about expectations linked with the London meeting. Our ineradicable eternal simple-mindedness and a desire for breakthroughs are making themselves felt. Some people believe that in London the fate of the fatherland will be "pawned" with "world imperialism," while others believe that it will bring us manna from heaven. This polarization of views is placing Gorbachev in a difficult position. I believe that it is necessary in advance to get people to think realistically. What can realistically be expected? What yardstick will you use to measure the results of the meeting, its success, or incomplete success, or, God forbid, its failure?
[Primakov] Above all I believe that the extremes will not be vindicated in London. No one will sell out or "pawn" anything, but neither will there be manna from heaven. This can be stated with confidence.

Those who believe that it is some sort of one-shot "flourish"—that we will arrive, people will talk to us, let us have a certain sum of money, and be done with it—are not right either. No, the meeting in London is only the beginning. We are entering into the world economy, we are becoming integrated, and the London meeting is marking the beginning of this. This will be followed by developments based on the ideas which the president is preparing to put forward. As to financial assistance, it is not merely a question of specific sums of money which will be paid out forthwith for our immediate consumption, but rather a question of this financial assistance being synchronized with our transition to the market. If there is commodity intervention, it may be a question of goods deliveries when they are urgently needed in connection with prices which are bound to creep up as a result of price liberalization. Or it may be assistance during the process of rendering the ruble convertible—through the establishment of a stabilization fund. All this is a process.

I would like IZVESTIYA readers to grasp that the "G-7" does not adopt any sort of measures, it is not a club which runs the world. It is the leaders of the seven biggest industrial states who regularly exchange opinions and elaborate a common line which is by no means always enshrined in concrete documents. A great deal depends on this line, however: for example, the admission of the Soviet Union to international economic organizations. And international organizations in turn set up expert groups and adopt decisions which help in the implementation of specific measures.

Furthermore, the outcome of the meeting with the "G-7" will largely determine whether private Western capital will flow into our country. After all, everyone ought to be aware that the disputes between the center and the republics and the destabilization in many spheres are far from conducive to the influx of foreign capital into our country.

[Kondrashov] Against the backdrop of our passions and expectations, the behavior of the "G-7" is rather reserved. Recently its ministers of finance let it be known that the Soviet Union should not expect too much too soon, only the USSR's asociate membership in the IMF: only admission to expertise, but not to the purse, not to the kitty. A ranking official in Washington declared, as if having prior knowledge of Gorbachev's London plan, "It will be more radical than what we have seen up to now, but not as radical as we would like." The same individual spoke about the desirability of broader changes in the Soviet Union, not only changes of an economic nature, but also deep cuts in Soviet defense spending, reduced aid to Cuba, and an end to the "Baltic impasse."
[Primakov] Conjectures abound, both in our own press and the foreign press. Often the assessments are deliberate, and sometimes they come from people who are not very well informed.

[Kondrashov] But this one is attributed to a ranking official...
[Primakov] An elementary journalistic stereotype. But even if this were not the case, do you believe that all ranking officials are well versed in economic matters? I don't. Furthermore, it is necessary to firmly remember that by no means all people over there wish us well, by no means all people in the West are gentlemen, greeting us fraternally with outstretched arms.

[Kondrashov] But there is no euphoria on their part prior to London; they are indeed reserved...

[Primakov] Some of them—and I am now talking about well-wishers—are rather alarmed by our euphoria. When people in our country started talking about the extremes which you have mentioned, many people in the West were alarmed. I am not just talking about the reaction to those who were talking about a "sellout" of the country, who are opposed to the Soviet Union's integration in the world economy, and who essentially favor autarky, a return to the past, a past which the world has already lived. Concern in the West was also evoked by our dreamers about manna from heaven; more serious concern, perhaps, than that caused by the "isolationists" of whom there are clearly fewer. Unprofessional talk about a new "Marshall Plan," about vast sums of money pouring in as if from a cornucopia provided "we do as we are told." All this, frankly speaking, is utter nonsense.

And it is also evoking a peculiar reaction in the West: Do not expect us to keep you. Well, we have no intention of asking. Our main principle has been and remains that our affairs are our own affairs. And what we have to do, we have to do with our own hands. Unless we do it ourselves, nobody will pull us out of our crisis. But at the same time, the point is this: We can either try and do this on the basis of autarky, pitting ourselves against the whole world and cutting ourselves off from it; or we can do it ourselves but with a certain amount of support, with a certain amount of mutually advantageous participation by the West.

As for the political demands which you have mentioned, it would be unrealistic to hope to speak to us in the language of ultimatums. I believe the leaders of the "G-7" do not pursue this line. Here is a characteristic example—Japan has declared that it does not intend to link its stance in London with the "territorial question."

[Kondrashov] Yevgeniy Maksimovich, I would like to return once again to something that is causing much confusion in our country and needs to be clarified. Since the official stances prior to London have not been disclosed for understandable, and sometimes, honestly speaking, incomprehensible reasons, the "Harvard Program" elaborated by Grigoriy Yavlinskiy and his Soviet and American colleagues has been receiving most of the attention. Yavlinskiy has publicly rejected Prime Minister Valentin Pavlov's "anti-crisis program" in everything but its name. Pavlov is categorically rejecting the "Window of Opportunity" brought back from Harvard, describing it as "a sort of game for children." Meanwhile, President Gorbachev is declaring that these two programs complement each other. How is this to be understood, and what will they make of it in London? As far as one can judge, the "G-7" has a relatively strong negative bias toward the government programs. At the same time, it has a reserved attitude toward the Harvard brainchild.

[Primakov] My agreement with the president's line is not due to my membership of the Security Council, but rather to my gut reaction acceptance of it. I believe Gorbachev is right when he says it is necessary to make use of everything we have. And I believe he will go to London not with Yavlinskiy's program or any other program, but with his own program. And, you know, I don't even want to call it a program. What we generally mean by program is something that is broken down almost to individual days, that is tied to specific deadlines and to a precise sequence of measures. A program is a program. But a president is also a president. And he is going there not to deliver a report, but to share his ideas. And therefore, it seems to me, there will not be a program as we understand it, but rather there will be conceptual propositions which will shed light on the directions in which we intend to proceed. And at the same time specific features will be defined, including the sphere of our cooperation.

Now about the clashes which have arisen, as you have mentioned between the programs. I believe this was, unfortunately, started by our press; then it moved abroad and started to snowball. Alas, a great deal was also contributed by the representatives of the two programs.

What can I say about their overlap? A person whom I trust, Academician Abalkin, for example, believes that the government program and the Yavlinskiy program coincide nine-tenths, provided, of course, as I have already said, that you disregard the phraseology. Incidentally, the government program won the support of the overwhelming majority of the republics, and such support, after all, does not come automatically these days.... If you compare the government program with the thoughts and ideas put forward by Mr. Attali, president of the European Bank, you will see that here too most of the points coincide. That is to say the clash is often due to personalities, and personal elements must not play a special role when it is a question of state interests.

[Kondrashov] And what was the attitude of Delors, chairman of the EC Commission, during his recent visit to Moscow?

[Primakov] Delors said that the financial measures were better detailed in the program put forward by Yavlinskiy than in the government program. This was the only point he made. It is no secret that very capable people worked on this program: G.A. Yavlinskiy himself, and others. However, the group which drew up the government program was headed by V.K. Shcherbakov whom I consider one of the strongest and well trained economists. At the same time, I would like to mention that in the government program there is no linkage with a reciprocal movement on the part of the West. This was not part of its brief. Yavlinskiy, on the other hand, went to Harvard precisely in order to establish this linkage. And, naturally, the radicalization of our measures of movement toward the market will depend on the massed reciprocal movement of the West and the level of its support. In this respect the government program is open. And this is also Shcherbakov's view: It is open to innovation and evolution.

[Kondrashov] Here, it seems to me, a question of extraordinary importance arises: the question of public consensus within the country. Even the best of programs is doomed to failure if it does not enjoy broad approval. Is it planned to have a preliminary discussion of the president's London strategy at the Council of the Federation?

[Primakov] There will be a discussion at the Council of the Federation. This is the president's idea; he has spoken about it more than once and has also mentioned it to the "sherpas," that is, the personal representatives of the leaders of the "G-7" who have been to Moscow as part of the preparations for the London meeting. The president told them that he would, without fail, raise the questions of the London meeting at the Council of the Federation, or perhaps the "Nine plus One." Incidentally, I know that M.S. Gorbachev has discussed these questions more than once with the leaders of Russia and Kazakhstan, and obviously also with others.

[Kondrashov] Does this mean that there will be a consensus of republic leaders before London?

[Primakov] I believe there will be. And in this context I would like to say that one of the main questions concerning our fate will be whether or not we manage to preserve the single economic space. As for the "G-7," I am convinced that they want to deal with a single economic space. This became clear to me once again in the course of meetings with Western experts, representatives of the leaders of the countries which form the "G-7." The West wants to deal with a state which builds its relations between the center and the republics on a democratic basis but which consists of a single economic space.

Incidentally, as regards the necessity of preserving a single economic space in our country, there is no difference between the approaches of the government and Yavlinskiy. Both sides believe, for example, that a federal tax and a dual taxation system are vitally necessary.

CSCE Forum on Europe Opens in Vienna

LD0107154391 Moscow TASS in English 1252 GMT 1 Jul 91

[By TASS correspondent Vladimir Smelov]

[Text] Vienna July 1 TASS—The structure of new Europe and European developments including the situation in Yugoslavia are in the focus of attention at the seventh interparliamentary conference on security and cooperation in Europe, which opened in the Austrian capital today.

The three-day forum in which representatives of 35 countries, participants in the Conference on Security and Cooperation in Europe (CSCE), take part will give much attention to the results of the Berlin conference of CSCE Council of Ministers, and prospects for the Helsinki process.

Economic cooperation and environmental protection are also on the agenda. A wide range of questions connected with the consolidation of security in Europe and human rights protection will also be discussed.

Official Views Issues

LD0307195391 Moscow TASS in English 1940 GMT 3 Jul 91

[By TASS correspondent Vladimir Smelov]

[Text] Vienna July 3 TASS—A new political thinking aimed at building a non- violent world is becoming imperative for the European process, and is now taking it to a qualitatively new level.

The modern process in Europe, that creates conditions for overcoming the bloc model of security and continental division, is irreversible.

This was the idea shared by many speakers at the interparliamentary conference on cooperation and security in Europe that ended in Vienna today.

The three-day forum, organized by the Interparliamentary Union, was attended by representatives of 35 CSCE member-countries. They discussed prospects for the building of architecture for a new Europe, exchanged views on topical european and world problems and expressed support for a deeper organized, democratic dialogue involving all CSCE member-countries based on a carefully adjusted balance of interests.

The intensive CSCE process is impossible without relevant effective structures and bodies to coordinate positions and execute decisions, Soviet delegation leader Valeriy Tsybukh told TASS. Proceeding from this, the Soviet Union favours expanding the functions of the conflict prevention centre, enhancing the role of the committee of CSCE chief executives, creating bodies of economic, scientific and technical cooperation, adopting European-scale programmes in the economic, ecological, transportation, scientific and technological fields.

As regards prospects, Tsybukh said, the CSCE process is to be seen as having top priority in European affairs. This process can by no means be made subordinate to the objectives of either NATO or the European Community or the Council of Europe. All those organisations must work for the CSCE process if we want to consolidate the belief that the Conference for Security and Cooperation in Europe can become a tool to coordinate efforts by all member-countries, Tsybukh said.

United States & Canada

Report on Pending Bush Talks With Gorbachev

PM0307140591 Moscow PRAVDA in Russian 3 Jul 91 Second Edition pp 1,4

[Report by correspondent V. Gan: "London, Then Moscow"]

[Text] Washington, 2 Jul—So, the USSR and U.S. presidents will have a "private meeting" 17 July in London at the close of the G-7 conference.

Giving explanations in the wake of the White House announcement of the planned lunch involving M.S. Gorbachev and G. Bush, the U.S. President told correspondents today at his residence in Kennebunkport, Maine, that the coming meeting will by no means reduce the importance of the scheduled summit meeting in Moscow. "I am looking forward with impatience to my one-on-one conversation with President Gorbachev. We have a great deal to discuss. I think that there will then be a broader meeting involving the entire 'seven.' In my opinion, this will give us a good chance of reducing our differences of opinion and discussing the positions now held by the USSR, Western Europe, Canada, the United States, and Japan," the President said.

According to G. Bush, he would like to discuss a number of global problems with M. Gorbachev, although a two-hour lunch will obviously not be long enough for that.

The President added that his discussion with M.S. Gorbachev in London will be rather of a "philosophical nature" and that the sides' intentions will be under discussion. G. Bush cited this question of his as an example: "In your view, what are our intentions toward the Soviet Union?"

"In my view," he went on to say, "there is still some misunderstanding among the Soviet military, for instance, on this score. I quite possibly don't express myself very clearly at times and am sometimes overcautious. But I think that I will be able to persuade Gorbachev that his military have nothing to fear from us. Let us discuss this. Let us ensure that they follow our example as regards cutting defense spending. I think that we can discuss that over lunch." There is simply not enough time to examine the whole gamut of problems, Bush said.

In response to the question of whether there may be a Soviet-U.S. summit meeting in Moscow at the end of July, Bush said briefly: "Yes, there may."

The President was asked whether M.S. Gorbachev really intends to ask the "seven" for considerable economic aid, as the U.S. press reports. His answer went like this: "I am sure that he never intended to do that. I don't think that even speculation over this, in particular in the United States, would do any good. I expect him to describe his plans for carrying out vigorous reform and continuing the process of perestroyka and glasnost."

Some observers here thought it no coincidence that the President emphasized the military aspect or, more precisely, the delays in completing the work on a strategic offensive arms treaty. Over the last few days this subject has been hyped quite intensively on the Potomac. Two Senators, J. Helms (a Republican from North Carolina) and M. Wallop decided to get an answer from the Pentagon to the following question: Is it true that the USSR Defense Ministry provided the U.S. side with incorrect information at the strategic offensive arms limitation talks? In a letter to U.S. Defense Secretary R. Cheney the legislators demand that he tell them what precisely the military department knows.

This letter was provoked by statements ascribed to B.N. Yeltsin, who, they claim, said during his stay in Washington in conversation with congressmen and Pentagon officials that our military deliberately misinformed the Americans as regards the numerical strength of the Soviet Rocket Forces. "Yeltsin's admission of Soviet lies, distortions, and deceit during the strategic offensive arms talks should not cause surprise. Yeltsin's accusations are backed up by a 65-page CIA report on Soviet falsification of figures in the arms control sphere," Helms and Wallop said.

I don't know what precisely Yeltsin said during these meetings, to which journalists were not admitted. But since I covered the Russian leader's visit here, I can say for certain that, when addressing correspondents in the White House, he only referred to rumors: That was precisely the word that he used and he did, moreover, speak in the past tense. Work on the treaty has been under way for nine years now. What phase is at issue? One year ago, two, three, or even longer?

However, I do not think that all this is that important. Of course, such events will hardly facilitate progress at the talks or even the atmosphere of the dialogue itself. But one should not lose sight of what Helms and Wallop are like. They have both long enjoyed a reputation as inveterate obstructionists on everything pertaining to Soviet-U.S. relations. They both tried in the past to wreck ratification of the Treaty on Intermediate-Range and Shorter-Range Missiles.

Lastly, the President's statements today do not merely seem to be a gesture to those on the right of the U.S. political spectrum. These words, like U.S. delays in finalizing the strategic offensive arms treaty that Washington experts have acknowledged, reflect quite deliberate tactics. Presumably, evidently having decided to "link" completion of the work on the agreement with the Moscow summit meeting, Washington is thus trying to pressure us not only into major military concessions but also into concessions on a whole range of problems in our complex relations. Of course, were the rumors to which Yeltsin referred true, all this would only play into the hands of local supporters of these tactics.

Bush, Gorbachev to Discuss Moscow Summit

OW0307103391 Moscow INTERFAX in English 1030 GMT 2 Jul 91

[Transmitted via KYODO]

[Text] The short working visit planned for July 17 in London between Mikhail Gorbachev and George Bush will be dedicated first of all to the possibility of including the Soviet Union in the world economy. According to a highly placed diplomat at the USA and Canada Department of the Soviet Ministry of Foreign Affairs, the meeting will be connected with preparations for a U.S.-Soviet summit meeting proposed for the end of this month in Moscow. The two leaders are to give a political impulse to the resolution of questions yet to be answered in connection with the Treaty on Strategic Offensive Weapons.

The diplomat went on to say that this will be in the context of the meeting with the Group of Seven nations which the Soviet President will have in London, not only with Mr. Bush but also with the leaders of other countries.

'All Parties' Gain From Yeltsin U.S. Trip

PM0307104091 Moscow IZVESTIYA in Russian 29 Jun 91 Union Edition p 7

[Stanislav Kondrashov "Political Observer's Opinion": "Everyone Is Pleased, But in Different Ways"]

[Text] As I was away, I was unable to comment immediately after the event on the results of Boris Yeltsin's working visit to the United States, although I had more or less undertaken to do so (see "At the Crossroads of Three Epochs" in issue No. 145). But better late than never. Especially since the topic of Russia's foreign policy is only just opening up, and the Russian president's American debut will presumably be followed by other moves by the Union's biggest republic.

The main result: All three parties were pleased—Yeltsin, Bush, and Gorbachev.

Yeltsin—because he was received with enthusiasm in Congress, whose guest he was, and with honor in the White House (most important of all), where he arrived via the grand entrance to hold a 90-minute conversation with the U.S. President. Ordinary Americans everywhere greeted him with interested goodwill, and moreover he made the right impression on the U.S. political-economic establishment, and after all, the "go-ahead" in the specific agreements that Russia hopes for depends on that establishment.

Bush is pleased because he succeeded in a piece of delicate diplomatic maneuvering which included praising the democratically elected Russian president and at the same time repeatedly reaffirming—in the presence of the guest—that Americans still intend to conduct central affairs with the USSR's central leadership, that is, President Gorbachev. In a brief greetings speech before his talk with Yeltsin, correspondents counted that Bush mentioned his guest's name five times and the USSR president five times. On the same occasion, to avoid misinterpretation, he stated: "I want to be extremely clear on this point: The United States will continue to maintain the closest possible official relations with the Soviet Government of President Gorbachev." It is reported that, by way of confirmation of this line, actually during the conversation Bush tried, though without success, to reach Gorbachev on the telephone. The following day a 40-minute conversation took place.

So that is how the U.S. "two-tier diplomacy" looked at the end of last week.

Why Gorbachev should be pleased is clear from the aforesaid. He is also pleased because Yeltsin conducted himself in the United States as his own sensible political ally, and not as an unpredictable rival shaking (with the help of a fresh mandate from the voters) the walls and roof of the edifice of Soviet foreign policy. The favorable background created last Thursday in Washington was very convenient for Gorbachev last Friday, when he had to rebuff an attack from his critics on the right in the USSR Supreme Soviet. In general terms the coordinated behavior by Russia and the center that was displayed during Yeltsin's visit facilitates progress toward the Union Treaty, or at any rate the clarification of those provisions relating to the division of responsibilities in foreign policy.

And so, by displaying a balanced approach, all parties emerged with dignity from a new kind of test. All—including our pluralist mass media, although they were sometimes tempted to swing either toward excessive brevity in covering the visit, or toward a frivolously immoderate enthusiasm.

Another result is that the U.S. political leadership is being drawn, one way or another, into the changing system of internal mutual relations in the USSR. A place has been cleared for it in our new system of relationships, in the gap, the space where rivalry continues between people and between concepts, where the redistribution of power, the tug-of-war, is taking place. Washington's favor is now sought—for the sake of strengthening their own positions—by the center and the republics, above all by Russia. This means that the Americans are presented with a choice of options and roles—from the onlooker not giving away his sympathies, to a participant in the tug-of-war welcomed by either side.

This time Bush behaved like a gentleman, emphasizing in every way his noninvolvement in our games. Although in fact the tug-of-war rope is slack at the moment, thank heavens. What will happen when—and if—it tautens? The Americans, if they so wish, could easily exploit our differences. I stressed this point in my last article. But Washington could prefer to take a different gamble: on coordinating the actions of the center and the republics in implementing political, economic, and ethnic reforms that objectively meet U.S. interests. In the context of Yeltsin's visit, Bush clearly chose the latter option. And he acted circumspectly and wisely, accepting no invitations to side with Russia however attractive they appeared at first glance.

This suddenly emerged during his conversation with Yeltsin because of a translation "slip." Let me explain. Americans are accustomed to call the Soviet Union Russia. And to the American ear it sounds very odd to hear the words "Russian" or "Russia" relating only to the republic. Therefore Bush did not immediately understand Yeltsin's report that the Russian parliament had adopted a decision to cease aid to other countries, in particular Cuba. Bush thought he was talking about a central government decision, and expressed interest in this new turn of events, which was undeniably pleasing to him. This is how an NBC correspondent commented on the occurrence: "Bush would very much like Moscow to cease aid to Castro, but made it clear that this question should be decided by Gorbachev's government, not the republic headed by Yeltsin."

You can understand the U.S. President. However tempting the Russian parliament's position in this instance, the desire to gain advantages by exploiting differences in Moscow could result in immeasurably greater losses for Washington in other situations. The crucial question of continuity of foreign policy commitments arises. If Russia rejects the Union's treaty commitments with regard to aid to Cuba, who can guarantee that tomorrow, all of a sudden, it will not break off the treaty on conventional arms in Europe, and the next day the strategic nuclear arms treaty that is in preparation. Or else refuse to pay off the credits taken on by the central government. For decades Americans have sought—in vain—to obtain at least some repayment on czarist Russia's debts, which were annulled in 1917 by the Bolsheviks, who refused to act as heirs to the overthrown government.

That is the classical example, but the most recent is the U.S. and West European concern over events in Yugoslavia. If these spread to the USSR in equally extreme forms, then what is happening in Yugoslavia will look like no more than a little laboratory experiment in the disruption of smooth international life.

True, it was not for nothing that Bush resolutely slammed shut the Pandora's box that had come open a crack. Brent Scowcroft, his national security adviser, once again explained to journalists that Yeltsin is the leader of a "major sub-entity of international life," while the "entity" is the Soviet Union and Gorbachev's central leadership, with which "we have diplomatic and other relations, and we will conduct ourselves in accordance with this reality."

And the White House sees as part of this reality the first visit by the first Russian president, seeking to give all the parties concerned their own reasons for satisfaction, as well as future food for thought.

Gorbachev Sends Bush 4 July Greetings

LD0307132391 Moscow TASS in English 1314 GMT 3 Jul 91

[Text] Moscow July 3 TASS—"On the national holiday of the United States of America, Independence Day, we send you and the American people sincere greetings and good wishes of prosperity and peace," says a message of greetings from President Mikhail Gorbachev to President George Bush, circulated here today.

"Soviet-American cooperation, so important for both countries and world development as a whole, is entering a very crucial stage. The more so, we wish that well-being and peace reign in your land."

U.S. Spokesman Cited on New Democratic Movement

LD0307073191 Moscow TASS in English 0700 GMT 3 Jul 91

[By correspondent Ivan Lebedev]

[Text] Washington July 3 TASS—The Government of the United States steadily supports democratisation in the Soviet Union and therefore welcomes the formation of a new political movement as a step forward in this process, Margaret Tutwiler, official spokeswoman of the U.S. Department of State, said on Tuesday in response to journalists' questions about the administration's reaction to the report on the founding of movement of democratic and reformist forces in the USSR.

The founding of a new political movement is yet another confirmation of the development of political pluralism in the Soviet Union, and this can be only welcomed, the spokeswoman emphasised.

Tutwiler said this event is an illustration of further normalisation of Soviet political life and is a positive step along the road of reforms in the USSR.

Report on Cheney Remarks on Gulf Presence

LD0307151691 Moscow TASS in English 1329 GMT 3 Jul 91

[By correspondent Vladimir Matyash]

[Text] Washington July 3 TASS—"The Gulf War is one of a series of important changes in the global security environment that has signalled a major change in the threat to national security," U.S. Secretary of Defence Richard Cheney told members of the American Defence Preparedness Association and the National Security Industrial Association on Tuesday.

"The rebirth of democracy in eastern Europe and the markedly improved relations between the U.S. and the Soviet Union are two others of special significance," the Pentagon chief said.

"We believe that the state of the world is such that this drawdown reduction in our overall force structure can be accomplished without jeopardising our security," Cheney said.

"Over the next five or six years we will be reducing the size of our Armed Forces by roughly 25 per cent," he added.

At the same time Cheney spoke out in support of developing the next generation of weapon systems—the B-2, the advanced tactical fighter—and a viable strategic defence system against ballistic missiles. "We must have a budget that will keep our Armed Forces strong and ready," Cheney said.

In response to questions, Cheney said that the Pentagon was planning to keep U.S. presence in the Gulf, its naval presence in particular.

The U.S. secretary of defence did not rule out the possibility of holding U.S. naval and marine exercises "on a regular basis" and periodic air deployments and exercise of u.s. units with the troops of "friendly countries" in the region.

Commentary Views VOA, Radio Marti

LD0407163691 Moscow All-union Radio Mayak Network in Russian 0630 GMT 4 Jul 91

[Text] Today we complete another series of materials in the slot "Corresopndent returns from assignment". My colleague Ashot Nasibov, who has returned from the United States, spoke in his previous broadcasts on how non-government radio stations operate in that country. But there are also in that country radio stations belonging to the Federal Government and financed by Congress. These are his topics now.

[Ashot Nasibov] There are at least four such stations. They are Voice of America, Radio Marti, Radio Liberty, and Radio Free Europe. You must have heard of them. I had occasion to visit the editorial offices of the first two of them and spoke to staff. Under U.S. law the government does not have the right to distribute its materials via the state mass news media on the territory of its own country, so you won't hear these radio stations inside the United States. The broadcasts of Voice of America in 45 languages are known throughout the world. Only China and Cuba continue to jam them. As regards the ideological bias of the broadcasts, some consider them to be objective information and others propaganda. Incidentally the Americans do not like the word "propaganda", they give it a much harder and more negative meaning than we do.

The staff of Voice of America themselves, as is pointed out by the information bulletin which I have in front of me, consider their news bulletins to be objective, balanced, and devoid of editorial prejudice. That is why every piece of copy is examined by someone else besides the author before it goes on the air, and not infrequently even by three. This can be regarded as censorship or as a desire to take maximum account of the position of the U.S. Government on the question for, indeed, Voice of America is a state radio station.

[Interviewer] "Mayak" is a news service, but how is the news handled on Voice of America?

[Nasibov] The station's news section comprises a group of over 200 highly-qualified, well-paid professionals. Every day they fire off as they say, about 150 news items or reports on events inside the country or abroad. These news items are distributed to the sections covering a particular country or group of countries. They select news relevant to the target region but they cannot add anything. Comment and big features are another matter. In the Russian service of Voice of America, for instance, about 90 persons are involved in that.

[Interviewer] Ashot, you mentioned Radio Marti. I think our listeners know little about this radio station. What does it comprise?

[Nasibov] Radio Marti is a sub-division of Voice of America but stands rather on its own. It fulfills a very specific task. It broadcasts exclusively and purposefully to Cuba, although Voice of America has departments broadcasting in Spanish. About one-third of the air time of Radio Marti is taken up with news on events in Cuba itself and the United States. In addition another quarter is taken up with other kinds of news - sport, culture and so on. It also broadcasts a lot of music.

Radio Marti has a special analysis department in which there are about 20 persons working. They carefully study Cuban journals and magazines and Fidel Castro's speeches, and all this serves as additional sources of information on the state of affairs on the island because, as the staff complain, there is very little of this news. Other sources are the Cubans themselves, both those coming to the United States to seek political asylum and those on foreign assignment. The shortcoming of this system is the fact that the news sometimes arrives very late. But journalists working on the radio station go by the principle better late than never. In the United States the activity of Radio Marti is regarded as being in keeping with the sacred principle of free exchange of information. But in Cuba it is regarded as interference in its internal affairs, and it is jammed. Incidentally, according to U.S. estimates, successful jamming is possible only in the area of Havana.

China

Delegation Head on Chinese, USSR Reforms

OW0407143391 Moscow Radio Moscow in Mandarin 1300 GMT 2 Jul 91

[From the "Half an Hour with Wang Xiao" program]

[Text] During an interview on 1 July, Comrade Wu Xuecheng, who is head of a Chinese academic exchange delegation currently on a visit in the Soviet Union, said: [Begin recording] Speaking of reforms in China and the Soviet Union, we think that both countries have achieved results, but they also have problems. There is no previous example in reform. Reform is a every complicated and every difficult thing. It is impossible to carry out reform without confronting any problem. But we must overcome problems in the course of advance in order to enable our reform to continue to advance in the right direction. Our purpose of coming here is to learn from Soviet comrades, and we have learned many things while we are here. In the future we will strive to expand our academic relations with the Soviet Union. Both sides can also exchange academic visits. We will invite Soviet scholars to China to give lectures and exchange views with Chinese scholars. These activities will promote friendship and increase mutual understanding. [end recording]

CPC Assessed on Seventieth Anniversary

91UF0930A Moscow SOVETSKAYA ROSSIYA in Russian 28 Jun 91 First Edition p 5

[Article by Doctor of Historical Sciences B. Kulik: "Non-Impasse Socialism"]

[Text] We have been encountering increasingly often of late opinions concerning the crisis and even the total collapse of world communism, which is presented as something that virtually goes without saying. Naturally some people perceive this with acute pain, others with unconcealed gloating. Yet an immense area of the world continues to live and prosper where the banner of communism not only has not drooped, but is fluttering with increasing confidence. It is controlled by the largest detachment of the international communist movement—the Communist Party of China. It currently numbers over 50 million persons—more than in all the other communist and workers parties of the world put together.

On 1 July the CPC commemorates its 70th anniversary. It emerged at that pivotal moment in history when the Chinese people, who had recognized themselves to be the creator of one of the greatest world civilizations, were confronted in particular seriousness with the question of searching for paths toward the revival of the past might of their homeland, which had reached the extremity of economic backwardness, mass impoverishment, social oppression, and national humiliation. The birth of the Communist Party was an answer to this question. As the principal results of the past seven decades testify convincingly, it proved to be the right one.

Chinese communists invariably emphasize that the choice of the path of China's conversion was suggested to them by the October revolution in Russia. This was also said recently by Jiang Zemin, general secretary of the CPC Central Committee, in his address to the Soviet public.

It would be an inexcusable oversimplification to see these words merely as a respectful tribute to historical tradition. It would be an even bigger mistake to take them as a relapse into dogmatic rhetoric. The heart of the matter is precisely the fact that revolutionary theory was perceived by the fighters for China's revival not as some abstract teaching, but as a guide to practical action, as a key to the accomplishment of a vitally important task—throwing off from the necks of the Chinese people the "three big mountains"—imperialism, feudalism, and bureaucratic capital. It is significant that this approach to the experience of the October revolution was demonstrated by far from just the communists. The outstanding Chinese revolutionary and democrat and founder of the Kuomintang, Sun Yatsen, who devoted his whole life to the cause of China's transformation, considered V.I. Lenin the highest model for himself and called him "teacher of the peoples," "genius of revolution," and "great organizer of revolutionary victories".

Marxist-Leninist theory and Russia's actual experience helped the Communist Party do what no other political force in the country could—combine and merge together the national liberation and social struggle of the Chinese people.

Of course, this process was neither simple nor smooth. On the contrary, it abounded in serious mistakes which frequently led to major setbacks and outright defeats. This was the case mainly when the CPC leadership either detached itself too far from actual Chinese reality in deference to speculative theoretical schemes or, on the contrary, exaggerated inordinately the significance of national factors. Considerable harm was done to the CPC by intraparty struggle, which at times assumed ugly forms. The party's troubles were intensified by Mao Zedong's personality cult.

Nonetheless, while going astray and sinking into error, the CPC was still invariably oriented toward the cherished goal of the elimination of China's foreign dependence and economic backwardness. This dependably secured for it the support of the vast majority of the country's population.

A considerable part of the task of China's revival was accomplished with the creation in 1949 of the People's Republic. The country cast off the colonial yoke and expelled the Japanese aggressors, an end was put to its fragmentation into the possessions of numerous militarist cliques, and the civil war, which had lasted more than two decades, was terminated. Had the Communist Party achieved only these goals, it would even then have gone down in the history of its people forever as their savior. But uplifted China found itself faced with new, no less severe ordeals. It had embarked on the uncharted and thorny path of building its own future.

The Communist Party resolutely undertook the realization of this goal too. There is no doubt that the model for the CPC of the means and methods of its achievement was the Soviet model of socialism, which graphically demonstrated its effectiveness, having enabled a weakened and ruined China-like Russia to very quickly become a leading world power. But even more significance was attached to the fact that in the surmounting of its backwardness China had virtually no acceptable alternative to the socialist path of development and the system of political arrangement on which the PRC was founded.

The new China was bequeathed an extremely grim legacy and its economy, which had been at a very low level as it was, was in a state of total decline as a result of the wartime devastation. Only 32 million tons of coal were mined, 200,000 tons of steel smelted, and 4.3 billion kilowatt-hours of power generated in 1949 in a country with a population of more than 550 million. There was an acute food shortage everywhere and real famine reigned in many provinces. The PRC was put in the vise of a blockade by the capitalist world.

Under these conditions only the strong centralized authority created by the Communist Party in the form of the democratic dictatorship of the people was capable of upholding the conquests of the Chinese people. In just the same way was it possible to cope with the profound crisis of the national economy and secure its development as rapidly as possible only on the basis of the implementation of fundamental socioeconomic transformations, which made it possible to take advantage of such benefits of socialism as its capacity in planned fashion for concentrating all forces and possibilities of society in the priority areas. Within the confines of the socialist choice the CPC consented and continues to consent to cooperation with democratic parties, of which there are now eight in the PRC.

The policy of China's socialist development produced remarkable results, changing the character of the country in a matter of years. But these successes also produced an unexpected effect. They induced dizziness in some party leaders, nudging them into a further unwarranted increase in tempo. Overestimating and arbitrarily interpreting socialism's reserves, Mao Zedong and his supporters attempted to rapidly convert China into a mighty flourishing power by extra-economic methods, placing the emphasis mainly on an artificial restructuring of production relations and the utmost mobilization of the country's giant labor resources. Initially this course was expressed in orientations toward the accomplishment of a "great leap forward" and the creation of people's communes, and then led to the unleashing of the "cultural revolution."

The catastrophic results of these experiments are well known. But however paradoxical, they also had certain positive consequences, playing the part of a cruel "teacher of the contrary," in the words of a Chinese saying. Having carefully analyzed the path trodden, the CPC leadership, which at the end of the 1970's was headed by Deng Xiaoping, not only rejected the reckless precepts of the "cultural revolution," but also creatively reinterpreted the entire foregoing experience of socialist building and came to the conclusion concerning the need for the renewal and improvement of the very model of China's social development.

While implementing profound changes, the CPC leadership at the same time has not retreated from its fundamental positions and sees socialism, as before, as the sole practicable path to the creation of a powerful and prosperous China. The leaders of the CPC are profoundly certain that from the viewpoint of the development of the productive forces—the most important prerequisite for the achievement of this goal—the socialist system is far superior to the capitalist system. Practice has proved this convincingly even when the advantages of socialism were being realized in China in far from the best way. Thus from 1950 to 1960, for example, national income in such a capitalist country as India, comparable to China, on the whole, increased 48 percent, but in the PRC, by a factor of 2.8. Calls for a renunciation of a path that has justified itself in order to become a part of some "general civilizational processes of world development" would sound odd in reference to China—the homeland of a most ancient civilization—with a social system thanks to which a former semicolonial territory has in several decades risen to the position of a leading world power.

While the overthrowers of socialism have been trying to prove the "impasse nature" of the socialist path, the Communist Party of China, pursuing its strategy along this path, has brought it to first place in the world in terms of the production of grain and cotton, meat and cotton cloth, cement and coal. Whereas prior to the communists coming to power China's main "export commodity" virtually was coolies—cheap manpower—two out of every three Americans currently wear shoes made in the PRC, and U.S. and West European companies are jostling one another in the line to have their satellites launched by Chinese space rockets. In the years of the "communist regime," as it is called in the West, infant mortality in China has declined almost fivefold and life expectancy has risen from 35 to 70 years.

Extraordinary importance was attached to the fact that the CPC embarked on the implementation of a policy of reforms and transformations on the basis of a critical examination of problems of intra-party life. But in revealing its mistakes and shortcomings the CPC did not sink into self-flagellation and defamation of its entire history. A constructive nature was imparted to its self-criticism in order that it serve not to weaken but strengthen the party. While recognizing its blunders and miscalculations the CPC, together with this, firmly and unambivalently confirmed its aspiration to retain the guiding and directing role in Chinese society.

The CPC sees as groundless the attempts to counterpose the positions of the working class, of which it is the vanguard, to values common to all mankind since the working people, who constitute the vast majority of mankind, have no interests which run counter to these values. On the contrary, it is the working classes which are their genuine creators. The Communist Party does not consider Western standards of liberty, democracy, and human rights to be universal and acceptable to China. The Chinese leadership adheres to the precept that in implementation in the PRC of political reform "it is impossible to agree to the borrowing of the Western system" and that "it is necessary to implement socialist democracy and guarantee the advantages of socialism." Paramount significance is attached to the preservation of political stability in the country.

Of course, the CPC is today also encountering many complexities and difficulties. It has still not succeeded in fully ridding itself of the vestiges of a doctrinaire approach and dogmatism, has slowed down the process of the party's internal democratization following the events of the summer of 1989, and has reduced its attention to the tasks set at the 13th congress of restructuring the PRC's political system on the principles of deepening socialist democracy.

But the main thing is that the Communist Party of China is approaching its 70th anniversary at a cresting of its powers and in an atmosphere of the undoubted successes which have been scored under its leadership in the development of the PRC, enjoying high authority among the Chinese people and facing the prospect of further strengthening its role in the life of the country.

Dalai Lama To Visit Moscow

Agenda

OW0407064391 Moscow INTERFAX in English 0900 GMT 3 Jul 91

[Transmitted via KYODO]

[Text] On July 10 the Dalai-Lama, the spiritual leader of Tibet, is due to arrive in the USSR on the invitation of the governments of the Buryat and Kalmyk republics and the international organization "Peace Through Culture".

While in Moscow, the Dalai-Lama is to meet with prominent politicians, academics and religious figures. He will then fly on to Buryatia and Kalmykia to attend celebrations marking the 250th anniversary of Buddhism in Russia.

Issue of Visit Discussed

OW0507073691 Moscow INTERFAX in English 1200 GMT 4 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] As DP [Diplomatic Panorama] was told at the organizing committee of the celebrations to mark the 250th anniversary of the official recognition of Buddhism in Russia (also called "celebration of the 250th anniversary of the spread of Buddhism to the territory of the USSR"), the spiritual leader of Buddhists, the Dalai Lama, has received an entrance visa into the USSR and will take part in the celebrations. For obvious reasons, the visit of the Dalai Lama will be of a strictly unofficial character (following the uprising in Lhasa, the capital of the Tibetan Autonomous Region of China, the Dalai Lama has spent the last decades in exile in the Indian city of Darmasala). The Dalai Lama has been invited by the central spiritual body of Buddhists in the Soviet Union.

The Dalai Lama will arrive in Moscow on July 10. Part of his program will include meetings with representatives of social life of the Soviet capital, including members of the Buddhist community. On July 14, he will arrive in Ulan-Ude, the capital of Buratya, where celebrations will continue until July 20. In addition to the Dalai Lama, other foreign delegations will take part from India, Sri Lanka, North and South Korea, Hong Kong, Burma, Laos, Japan, the USA, Mongolia, and also representatives of international organisations of the Worldwide Brotherhood of Buddhists (headquarters in Bangkok) and the Buddhist Conference for the Defense of Peace (headquarters in Ulaanbaatar.

On July 14, 15, and 16 in the Ivolginskiy community, not far from Ulan-Ude, joint services will be held and a prayer will be offered in honor of the Buddha. The Dalai Lama will be a participant in these celebrations. In addition, a meeting with believers is planned for July 14. It is possible that the Dalai Lama will be present at a scientific conference and celebration meeting dedicated to the anniversary and that he will visit the exhibition of Buddhist art in the Sampilov Gallery.

On July 19, the foreign delegation is due to leave. It is sugested that the Dalai Lama will also visit Chita (Aginskiy region), Elista, and a number of other traditionally Buddhist areas in the Soviet Union. His stay is due to last until July 30.

Northeast Asia

Primakov Pays 4-Day Visit to Japan

To Brief Kaifu

OW0207040391 Tokyo KYODO in English 0344 GMT 1 Jul 91

[Text] Moscow, July 2 KYODO—A top aide to Soviet President Mikhail Gorbachev will arrive in Tokyo on Thursday to seek support for a request for aid which Gorbachev will make at the London economic summit in mid-July, Japanese diplomats in Moscow said Monday.

During his four-day visit, Yevgeni Primakov will brief Prime Minister Toshiki Kaifu and other Japanese leaders about the Soviet aid request, the diplomats said.

Gorbachev will officially unveil the plan at the end of the July 15-17 summit of seven leading industrialized nations—the United States, Japan, Canada, Britain, France, Germany, and Italy.

During Gorbachev's visit to Tokyo in mid-April, the Soviet president urged Japanese political and business leaders to help the Soviet Union switch to a market-oriented economy.

Japan has said it is opposed to extending substantial aid to the Soviets until a bilateral territorial dispute is resolved.

Japan has long called for the return of Etorofu, Kunahiri, Shikotan Islands, and the Habomai group, which the Soviet Union has occupied after World War II.

Arrives

LD0407034791 Moscow TASS International Service in Russian 0300 GMT 4 Jul 91

[By correspondent Aleksandr Kopnov]

[Excerpt] Tokyo, 4 Jul (TASS)—Within the framework of preparations for the forthcoming meeting of USSR President Mikhail Gorbachev with the G-7 leaders, academician Yevgeniy Primakov, member of the USSR Security Council, has arrived in Japan today on a working visit. He will be received by Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama. [passage omitted on Japanese Foreign Ministry spokesman quoted on relations with USSR]

Comments on Visit

OW0407013391 Tokyo NHK General Television Network in Japanese 2333 GMT 3 Jul 91

[Interview with Yevgeniy Primakov, Soviet Security Council member, by unidentified NHK correspondent; place, date not given—recorded, in Russian with Japanese subtitles]

[Text] [NHK] Japanese business leaders and politicians expect that concrete figures concerning economic aid will be given.

[Primakov] I am sorry, but I am not visiting Japan to give concrete figures and I am not visiting Japan to seek aid. The Soviet Government has decided on economic liberalization and this decision has a connection with the world economy.

[NHK] However, Japanese politicians have said that the Soviet Union is in an unstable situation.

[Primakov] To be honest, we are in a serious situation but we are not pessimistic. Success at the London summit will be of great significance to both the Soviet Union and the West. For those influential reformists in the Soviet Union, the achievements at the summit will be of great significance. At the same time, it will be important to Western Europe and Japan. If the summit should end in failure, it would influence, in a bad sense, the international situation.

[Announcer] Special enovy Primakov will arrive at Narita Airport this morning and is scheduled to have talks with Prime Minister Toshiki Kaifu this afternoon.

Kaifu, Gorbachev to Meet in London

LD0307133691 Moscow Radio Moscow World Service in English 1200 GMT 3 Jul 91

[Text] Japan's Prime Minister Toshiki Kaifu will meet USSR President Mikhail Gorbachev in London after the leaders of the world's seven most industrialized countries end their conference there. This is reported by the newspaper YOMIURI.

To prepare the meeting, which is to take place 17-18 July, a member of the USSR Security Council, Yevgeniy Primakov, leaves for Japan in the next few days.

Quoting official Japanese sources, the paper says Toshiki Kaifu intends to discuss with the Soviet president in London territorial problems which exist between the two countries.

As was reported earlier, a working meeting of the presidents of the Soviet Union and the United States will take place in london also on 17 July.

Japan Changes Stance on G-7

LD0207101191 Moscow TASS in English 0906 GMT 2 Jul 91

[By correspondent Vyacheslav Bantin]

[Text] Tokyo July 2 TASS—Japan will take a positive stance on large-scale financial aid to the Soviet Union at the forthcoming summit of the seven leading industrialised countries in London in the middle of July.

However, according to today's NIHON KEIZAI, Tokyo will not fully agree with other Western countries on the necessity of such a step—Japan conditions financial aid on certain substantial economic and political changes in the Soviet Union.

Tokyo will formally agree on financial aid to the Soviet Union, but will place conditions on it.

These conditions, described as "considerable advances in perestroika" in the newspaper, will include a solution of the territorial problem in Soviet-Japanese relations.

In other words, Tokyo is walking a tight rope between the problem of "northern territories", and the threat of being isolated at the forthcoming summit of the seven countries if Tokyo blocks aid most G-7 countries, if not all, believe is necessary.

"The Japanese government believes that complete implementation of the Soviet reform programme is a condition for financial aid to the Soviet Union, including low-interest credits worth dozens billions of dollars," NIHON KEIZAI said.

The programme in question is the one Tokyo plans to suggest on the basis of a new analysis of the Soviet economy by leading international financial institutions, including the International Monetary Fund.

Japan proposes that each of the G-7 countries will independently decide whether the programme has been implemented.

"Tokyo plans to influence other countries in postponing the issue of financial aid to the Soviet Union," the newspaper writes.

Western Influence Seen Changing Japan's Policy

PM0307154391 Moscow PRAVDA in Russian 2 Jul 91 Second Edition p 5

[TASS report: "Japan-USSR: Abandoning Tough Line"]

[Text] Tokyo, 1 Jul—The Japanese Government has decided to partially change its tough line with regard to the Soviet Union, granting the Soviet side limited financial aid via the European Reconstruction and Development Bank and also supporting the decision to grant the USSR "special associative member" status of the IMF.

THE DAILY YOMIURI reports today, citing government sources, that official Tokyo intends to announce its new approach at the coming meeting of the G-7 leaders in London.

The same sources acknowledge that the Japanese Government, which previously held a very cautious stance on support for the USSR due to the territorial problem, has changed this course, influenced by the position held by other Western countries. This applies above all to the United States, which announced somewhat earlier a whole program of aid for the USSR and credits of $1.5 billion for grain procurements. The recent decision by EC leaders to take an active part in providing economic support for the restructuring of the Soviet economy has also played its role,.

Japanese Prime Minister Toshiku Kaifu said recently that ahead of the London summit meeting, which will be a key element in determining the new world order and East-West relations in particular, Japan should carefully coordinate its foreign economic strategy and policy toward the USSR with other Western countries. According to him, that approach alone will enable Japan to retain its leading role at the coming meeting.

Japanese Businessman Stresses Economic Relations

OW0207115791 Moscow INTERFAX in English 1230 GMT 1 Jul 91

[Transmitted via KYODO]

[Text] President of the Association of Soviet-Japanese Trade, Tetsuo Sato, has told IF's [INTERFAX] correspondent in Yakutsk that lack of action on the territorial dispute between Japan and the Soviet Union has been putting brakes on economic relations between the two countries. Mr. Sato is on a tour of Eastern Siberia and the Far East with a group of Japanese businessmen and journalists.

He said, however, that in his personal view, the territorial problem was a trifle in comparison with the prospects of economic cooperation opening up to Japan and the USSR. He added he was looking forward with optimism to the G-7 conference in London and expecting the Japaneese govenrment, once the conference was over, to review his country's role as the Soviet Union's potential economic partner.

The Japanese businessman called for promoting direct ties between Japan and the various Soviet republics, although he said the lack of clarity with regard to the republican governments' authority to maintain independent foreign economic contacts was a serious restriction on progress.

According to Mr. Sato, his delegation's current visit to Yakutia was largely meant to clarify the degree of Yakutia's independence ifn the foreign economic sphere.

Symposium on Soviet-Japanese Ties to Open

OW0407211691 Moscow INTERFAX in English 1230 GMT 3 Jul 91

[Following item transmitted via KYODO]

[Text] An international symposium on Soviet-Japanese relations and the problems of the Asia-Pacific Region begins in Vladivostok today.

In an interview for IF [INTERFAX], a director from the Institute of World Economy and International Relations, Vladimir Ivanov said that most of the Japanese delegation, made up largely of academics from a NIRA research institute in Tokyo, were not in fact specialists in Soviet affairs. He believed them to be "reasonably realistic" in their outlook and "will not make a sticking point of the Northern Territories as has happened at many similar meetings in the past."

Japanese Delegation To Visit Urals

OW0507083491 Moscow INTERFAX in English 1200 GMT 4 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] A delegation of Japanese experts on conversion is expected in the Soviet Union from about July 19 to 26. At the invitation of the Perm Regional Council some 40 officials of Japan's Ministry of Foreign Trade and Industry and the Association of Trade with the USSR and Eastern Europe will visit Moscow and some other cities, mostly in the Urals. The delegation will be led by the Director of the Institute of Economics and Eastern Europe Hisao Kanamori and also include two American officials - from the State and Defense Departments.

On July 24 and 25 and delegation will meet in Moscow with officials of the State Military-Industrial Commission, the Ministry of Economics and Forecasts, and other organisations and departments. Following that, the Japanese experts will depart for the Urals where they will have direct contracts with the local leaders and managers of the military-industrial complex industries, study their conversion policies at the local level and in the republics. While going into the problems, prospects and possibilities opened by conversion in the USSR the visitors will share their own experience in the field.

Observer on Japanese Cooperation in Fishery Plans

OW0507105591 Moscow Radio Moscow in Japanese to Japan 1100 GMT 3 Jul 91

[Commentary by Andre Pavlov, Moscow Radio commentator in charge of economic affairs, on new possibility of Soviet-Japan cooperation in waters off Sakhalin and the Kurils—read by announcer]

[Text]We can cite the joint implementation of fishery development plans in the Sakhalin Oblast as a promising area for cooperation between the Soviet Union and Japan. Since the Sakhalin Oblast has been designated as a free economic zone, the management of the fishery industry has changed and this has made it possible for Japanese enterprises to participate in the plans. The fish resources, particularly salmon, are abundant in waters off the Sakhalin Oblast and the Kurils. If full investments are made, it would certainly be possible to catch nearly 1.9 million tons of fish and marine products a year including from 90,000 to 100,000 tons of salmon. At present, however, the catch is largely restricted because of poor fishing gear, inadequate facilities, and processing capabilities in the fishing ports. Scholars and experts in the Sakhalin Oblast have worked out a plan to catch salmon to the maximum extent through the proper utilization of natural resources and the establishment of artificial hatcheries. According to the plan, the authority for the fish processing is set to be transferred to enterprises in the free economic zone. Ten integrated facilities and two fish canneries have been established in the free economic zone in the past few years and all fish landed in the Sakhalin Oblast can be processed in these facilities. The species of fish used for processing is salmon that have returned home after being stocked at the artificial hatcheries, other fish, and marine products. The item and amount of processed fish is determined by the demand on the market, and the salmon is smoked, frozen, and canned. Based on the plan, experts estimate that it will be possible to catch 100,000 tons of salmon a year in waters off the Sakhalin Oblast and the Kurils by the year 2000. The plan calls for investments of between 600 and 700 million in local currency or rubles, and of $100 million in foreign currency.

Another plan for the construction of sophisticated fish processing facilities is noteworthy. The plan calls for investments of $300 million and 1.7 billion rubles. These investments will be used for the procurement of refrigerators, the construction of fish processing plants, and the procurement of new fishing boats or the modernization of existing fishing boats. A very promising area in the Sakhalin Oblast and the Kurils is biotechnology to be applied to the production of marine animals and weeds. The biological resources in the waters are abundant in protein and fat, and can be used as raw materials for processing. It is planned to catch and process various sea weeds, sponges, mollusk, corals, and mammals. A relatively small amount of investment in the production of biologically active materials and chemical medicine is expected to produce nearly $200 million in profits by exporting them to overseas markets alone.

Since these plans will be implemented within the framework of the free economic zones in the Sakhalin Oblast and the Kurils, they require the establishment of new banks. In addition, construction of service facilities is planned and they will be managed by the free economic zone. Owners and ships' crews will be given preferential access to the facilities. Soviet enterprises, foreign enterprises, and joint-venture enterprises in the free economic zone will be exempted from taxation for at least three years.

What I want to point out is that foreign enterprises participating in the fishing development businesses in the Sakhalin Oblast and the Kurils should not upset the biological balance there. Thus, there is great possibility that the Soviet Union and Japan can cooperate with each other in this area. I believe that the plans worked out by the Sakhalin Oblast will have a positive effect on the Soviet-Japan treaty on the fishing and fishery industry. I hope that Japan will pay serious attention to our calls for participation in various fisheries projects based on reciprocity.

USSR-ROK Venture Celebrates 2d Anniversary

PM0307104591 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 30 Jun 91

[From the "Vremya" newscast: Report by A. Bardo and N. Osipov, identified by caption, from Chita]

[Text] The Soviet-Korean "Fiton" joint venture in Chita has marked its second anniversary.

[Bardo] This is not an earth-shattering event, of course, but for the Chita pharmaceutists it marks a period which has confirmed the correctness of the path which they have chosen.

Thanks to "Fiton" the shortage of drugs in Transbaykaliya is less acute than elsewhere in Siberia. Not only have the joint venture's own products been added to the range of drugs available at local pharmacies. Pain killers and febrifugal and other drugs which have virtually disappeared elsewhere can still be obtained by the inhabitants of Chita. They have been acquired in exchange for oriental pharmacological products, ranging from tonic infusions from a variety of Korean herbs to antiradiation children's jams containing ginseng and stag antlers. This reflects the production and creative quest of the joint venture's specialists. At present the "Fiton" product range comprises 20 preparations, of which half are produced from local raw materials. Unfortunately, as of 2 April the use of various Transbaykal medicinal herbs has become disadvantageous because of multiple price rises. It would be possible to cover the losses by raising the retail price which is already quite high. At present the enterprise considers this option unacceptable.

[Tsoy Ben Kho, first deputy director general of "Fiton," identified by caption, speaking in Korean with superimposed Russian translation] We do not know, of course, how events affecting "Fiton" will develop further. But we are confident that what we are doing is very necessary and very useful both for Korea and the Soviet Union. After all, we are not only producing drugs, we are also making our contribution, albeit small, to the stregthening of friendship and mutually advantageous cooperation between our two countries.

[Bardo] Let me add that "Fiton" has dispatched 100,000 rubles worth of its output as a gift to the children of Chernobyl and has also given assistance to the local branch of the Children's Fund. It also seriously intends to open branches in Kiev, Kharkov, and Omsk.

South Korean Fishing Schooner Detained

LD0307103591 Moscow TASS in English 0921 GMT 3 Jul 91

[Text] Vladivostok July 3 TASS—The South Korean fishing schooner Keumkans was detained within the Soviet economic zone not far from Nakhodka by the Soviet patrol boat "Skipper Gek". The patrol boat escorted the schooner to Nakhodka last Sunday [30 June]. A catch of marine delicacies—tanner crab, trumpet fish, and even 800 kilograms of skate—was discovered on board the schooner.

"An unlawful catching of marine products was manifest. Under Soviet laws poachers faced the confiscation of the ship and a trial," Boris Sharapov, deputy head of the Primorrybvod department which is in charge of the protection of the fish stocks of the USSR, told TASS.

"But considering that South Korean fishermen did nothing of the kind previously, the Soviet side limited itself to a fine of 10,000 foreign-exchange roubles and demanded the payment of the cost of the unlawful catch.

"The South Korean fishermen fully confessed their guilt and even sought guarantees from the South Korean consul-general to the USSR for the payment of damages. Following the registration of appropriate documents, the schooner will be sent home," Sharapov said.

No Link Between U.S. Forces, DPRK Inspection

SK0507104591 Moscow Radio Moscow in Korean 1100 GMT 24 Jun 91

[From Program "Focus on Asia"]

[Text] As already has been reported, the DPRK recently issued a statement that it will continue talks with the International Atomic Energy Agency [IAEA] on the matter of inspecting nuclear facilities in its territory. Until recently, Pyongyang had considered the continuation of its talks with the IAEA in connection with the issue of inspection of the U.S. nuclear weapons deployed in South Korea. Washington persistently has opposed this. Accordingly, the subject of nuclear safety on the Korean Peninsula has been driven into a corner. However, is there any breakthrough seen at this time? Let's listen to what a Soviet scholar of political science is saying.

Konstantin (Shargiyshov), member of the Oriental Studies Institute of the Academy of Sciences of the USSR, attended the 7th International Conference for Reunification of Korea held recently in Tokyo, Japan. He says:

I [words indistinct] Koreans in the United States. The U.S. nuclear weapons deployed in the South have been a bother for the DPRK. However, dealing with the subject of inspecting the nuclear facilities in the North in connection with the U.S. nuclear weapons deployed in the South is (?artificial) and unconstructive, because their directions are different. In other words, the presence of U.S. nuclear weapons in the South has nothing to do with the duty that the DPRK should assume internationally.

The DPRK which signed the Nuclear Nonproliferation Treaty in 1985 should have signed an agreement with the IAEA regarding the inspection of nuclear facilities within 18 months after signing the treaty. Pyongyang has refused to sign an agreement with the IAEA and, because of this, its international prestige has been seriously defamed. I believe the above two issues should be resolved separately. A considerable number of those who attended the Tokyo Conference for Reunification of Korea share my opinion. In other words, the DPRK should allow IAEA inspection of its nuclear facilities. This is a step prescribed by the Nuclear Nonproliferation Treaty. On the other hand, Pyongyang should have brought up the subject of the withdrawal of U.S. nuclear weapons in the South separately.

Some newspapers in Asia reported recently that Washington will upgrade the level of contact with Pyongyang and that, if the DPRK signs an agreement with the IAEA, Washington will discuss the subject of the withdrawal of nuclear weapons from the South. Washington has refused to comment officially on this news report.

[Announcer] Responding to the question on whether Washington's present stand will change depending on the form of talks between the DPRK and the IAEA, (Shargiyshov) says:

An agreement signed between the IAEA and the DPRK and Korea entering the United Nations will have a great effect on world public opinion. At the same time, the subject of the withdrawal of U.S. nuclear weapons deployed in the ROK will inevitably be discussed. Therefore, I think these two subjects are at least indirectly related. If and when it becomes a complete UN member country and, accordingly, performs its international duty, the DPRK will be able to provide necessary [word indistinct] conditions and to make unnecessary the presence of nuclear weapons in the South.

I think the United States has played a noticeable role on the Korean Peninsula. The United States stations 43,000 military troops in the South, and the DPRK, as well, has expressed willingness to hold dialogue with Washington.

The situation on the Korean Peninsula depends greatly on the stand of the United States. Therefore, the (?future) progress in relations between the two countries draws our attention. The United States recently accepted the DPRK's offer to hand over the remains of 11 U.S. soldiers killed in action during the Korean war. A U.S. delegation, the second U.S. delegation this month, arrived in Pyongyang on Thursday. Retired General Richard Stilwell leads the delegation. It will discuss nuclear safety on the Peninsula with the Korean side.

Commentator Views No-Bush Meetings

SK0407064191 Moscow Radio Moscow in Korean 1100 GMT 3 Jul 91

[Commentary by station commentator Aleksey Kondratyev from the "Focus on Asia" program]

[Text] U.S. President Bush and ROK President No Tae-u met in Washington. No Tae-u arrived in the U.S. capital to pay an official visit. Our station commentator Aleksey Kondratyev writes on the ROK-Soviet talks:

The words that we are hearing from the meeting between the two presidents are different. Such words as Soviet threat, [word indistinct] threat, and others that had been heard constantly for decades were not used. Those words were not used when the two were dealing with problems on the peninsula and the situation in the Asian-Pacific region. Rather, the U.S. President even said that the Soviet Union's opening up has eased tension and would open brighter prospects for stability and peace not only in Korea but the entire Pacific. No Tae-u linked an end to the cold war to radical reforms in East European countries and the Soviet Union. In a word, the two presidents appropriately assessed the positive developments that have occurred in the world and the Asian-Pacific region.

A wind of change is blowing vis a vis the situation on the Korean Peninsula. I said this, mindful of the normalization of Soviet-ROK relations, the premier-level dialogue between the Korean sides, and the ongoing contacts between the United States and the DPRK in Beijing. The possibility that the United States and the ROK may contribute to easing tension on the peninsula is also good news. Washington is scheduled to reduce its troops in South Korea by 7,000 by 1995. It is clear that this reduction would not affect the combat capability of the U.S. forces, which are 43,000 strong. However, it is important that a reduction of the U.S. troops has started. The withdrawal of the U.S. troops will normalize the situation on the peninsula and speed up dialogue between the Korean sides.

The withdrawal of the U.S. troops is an action in the right direction. However, this is merely the first step. This must be followed by initiatives. Will the normalization of the situation be hastened if the Korean Peninsula is declared a nuclear-free zone? This would remove, to a great extent, problems that have hindered summit talks on the Korean Peninsula. The United States appears not to be ready for this. However, it is time that Washington and Seoul make a decision toward this direction. Sooner or later, a decision will be made toward this direction, because this is a solution to [word indistinct].

The Soviet Union would welcome the withdrawal of foreign troops from the Korean Peninsula. Moscow's position on Korea is clear. The Soviet Union insists that the Korean problem be solved politically. The Soviet Union supports constructive dialogue between the sides on the Korean Peninsula and is willing to resolve problems concerning the Korean Peninsula in compliance with the interests of the Korean people and the international community.

DPRK Diplomat Discusses Reunification

SK0407100091 Moscow Radio Moscow in Korean 1100 GMT 25 Jun 91

[Talk by Yi Chu-yol, DPRK charge d'affaires in the USSR, at Radio Moscow studio on 25 June]

[Text] For more than a half century, our country has not realized the national reunification and has suffered the pain of division, contrary to our people's intention and aspiration. This is because, first of all, the United States continues to occupy South Korea and to create obstacles to reunification.

National reunification is a pressing issue that must be resolved immediately. Our respected and beloved President Kim Il-song, in his New Year address, taught: We should not let the division of our country drag on for more than a half century, but, without fail, make efforts to realize the historic cause of national reunification within a few years.

The three principles based on independence, peaceful reunification, and great national unity have been consistently maintained by our country in resolving the question of the reunification of the fatherland. According to these principles, national reunification should be realized by means of a confederal system based on one nation, one state, two systems, and two governments. This is our country's position.

Under the circumstance in which, in reality, different ideology and systems exist in the North and South of our country, only the confederal system can resolve the question of reunification by peaceful means and without someone being swallowed by someone else.

The formula of reunification through a conferderal system, in order words, is the most desirable one for easily realizing the national reunification by peaceful means without fighting each other or someone swallowing someone else.

If national reunification is realized by means of the confederal system, our country will not be a satellite state of other countries. We can even predict that our county will be developed into a sovereign and nonaligned country. In addition, our country's reunification will neither be inconsistent with the interests of others nor pose a threat to them.

We believe that the proposal for founding a democratic confederal republic of Korea [DCRK] is a just and popular national reunification proposal that will provide a basis for national agreement. To more easily realize national agreement on the proposal for founding the DCRK, a federal republic should provisionally give the local autonomous government more rights to administer its work and, too, further strengthen the function of the central government in the future. In this direction, as we said in the past, we intend to discuss and reach agreement with the South on gradually achieving the reunification through a confederal system.

The DPRK's proposal for the national reunification meets the desire and aspiration of the people in the North and South, as well as Korean compatriots overseas, including the Soviet Union. It also will satisfy the desires and aspirations of the people of many countries in the world. They unanimously support the DCRK proposal, saying it is the most fair and peaceful reunification proposal.

To open a new phase in the peaceful reunification of our country, distrust between the North and South must be eliminated and a nonaggression declaration adopted to ease the state of confrontation.

The DPRK Government, viewing the North-South high-level talks as an opportunity to reduce tension, has put forward a specific proposal for a nonaggression declaration. The government has made constant efforts to realize the national reunification.

Adopting a nonaggression declaration is a starting point in building confidence. It would be an expression of North and South confidence, confirming that one side would not attack or swallow the other. It also would be confirmation that they would announce at home and abroad.

One precondition for the Korean reunification is that a nuclear-free, peace zone should be established on the Korean Peninsula. Today, there are more than 1,000 U.S. nuclear weapons deployed in South Korea. This deployment of nuclear weapons in South Korea makes the density of nuclear weapons in the region one nuclear warhead to a square kilometer. The density of nuclear weapons in South Korea is four times that of nuclear weapons deployed in the NATO region.

The sharp military confrontation created on the Korean Peninsula could trigger nuclear war at any time. In addition, there is the constant threat that great calamity could befall the Korean people as well as the people in the Asian countries surrounding the Korean Peninsula. Such a nuclear threat itself is a large cause of the discord and distrust between the North and South. For the Korean reunification and for security in Asia, the United States must withdraw its nuclear weapons from South Korea. In addition, a nuclear-free peace zone should be established on the Korean Peninsula.

To remove the military confrontation and to ease tension on the Korean Peninsula and to create a peaceful climate in favor of the national reunification, the DPRK Government so far has presented specific proposals to the United States and South Korea approximately 200 times. In addition, the DPRK Government has consistently made efforts to realize the national reunification and has taken a series of active measures for its realization.

We unilaterally reduced a great number of the military forces in 1987. For example, we moved 150,000 soldiers of the Korean People's Army from the front line to peaceful construction sites. However, our many fair and just proposals—the proposals for the reunification through a confederal system, adoption of the nonaggression declaration, disarmament, and establishment of a nuclear-free zone, peace zone on the Korean Peninsula—received no support from the United States and South Korea.

Ignoring all our peace-loving efforts and initiatives, the United States and South Korea are greatly aggravating tension on the Korean Peninsula by conducting large-scale war exercises, such as the Team Spirit conducted every year since 1976. The result of their aggravation of tension is very serious.

They have even frustrated the North-South high-level talks which were held amid the expectation and interest of the entire Korean people and the people of many countries in the world, including the people of the USSR.

Now, the world clearly knows who really aspires for peace and the peaceful reunification on the Korean Peninsula and who runs counter to the trend of the times, relying on foreign forces from the position of strength.

By the way, Pak Pil-su, former South Korean trade and industry minister, said some time ago: It is a misunderstanding that South Korea does not want national reunification. Because North Korea tries to make South Korea communist, it is necessary for South Korea to maintain the U.S. troops. He foolishly attempted to disguise their splittist policy and to cheat our people and the wise people of the world.

If they really want national reunification, there is no reason for them to keep refusing our proposal for reunification through a confederal system, one that the entire world praises and would not reject. In addition, if they really want national reunification, there is no reason for them to imprison young student Yi Su-kyon and 70-year-old Reverend Mun Ik-hwan who walked on the great road of the great reunification cause with only one aspiration for the national reunification, transcending ideology and political views.

Student Yim Su-kyong, flower of reunification, sang: Our desire is reunification, one that should be realized even in dream. Let us realize reunification with the sacrifice of our life. We had good feelings listening to this song. The South Korean authorities may even have heard this song aspiring for the national reunification of our people. If they have a genuine conscious for the nation, they should immediately release those now in prison and stop repressing the South Korean people's movement for reunification. Desperately opposing our proposal for adopting the nonaggression declaration for peace, they still go on to say that North Korea tries to make South Korea communist. In addition, they continue to stress the need for the presence of U.S. troops in South Korea. They haven't even removed the concrete wall. They frustrated the North-South high-level talks, which were prepared after a long period of silence, by aggravating tension on the Korean Peninsula.

This clearly shows that they have no intention to realize peaceful reunification, but only aim for reunification by winning victory over communism.

The more they pick a fight with us, the more they will disclose their policy for national division. As a result, the true people of the world and the Korean people in the North and South and overseas will abandon them.

Mongolian Lesser Hural in Extraordinary Session

LD0507081291 Moscow TASS in English 0724 GMT 5 Jul 91

[By correspondent Dugar Sanzhiyev]

[Text] Ulaanbaatar July 5 TASS—An extraordinary session of Mongolia's Lesser Hural—a permanently functioning parliament—opened here today on an instruction from the country's vice- president and the Lesser Hural chairman Radnaasumbereliyn Gonchigdorj.

The Lesser Hural's regular third session ended two weeks ago and it was announced that the parliamentarians would meet again only at the end of August.

At the session that opened today, they are to discuss the results of zonal conferences held in recent days with the participation of deputies to the People's Great Hural (assembly) and the leaders of local executive bodies. The Mongolian Government's report on ways to take the country's economy out of the crisis was considered at the zonal conferences.

The Mongolian parliament's extraordinary session will then announce a date for the convocation of the second session of the twelfth assembly.

Sub-Saharan Africa

Commentary Welcomes RSA Nuclear Decision

MB0307205591 Moscow Radio Moscow in Afrikaans 1700 GMT 2 Jul 91

[Commentary by Aleksandr Fedorov—read by announcer]

[Text] The South African Government's decision to sign the Nuclear Non-Proliferation Treaty has been welcomed both inside South Africa as well as internationally. The Pan-Africanist Congress viewed the move in a positive light and emphasized that South Africa will cease to be a threat to its neighbors once the treaty is signed. The PAC further expressed the hope that South Africa would reconsider its cooperation with Israel in this field.

The Soviet Department of Foreign Affairs said in a special statement that the South African Government's decision to sign the treaty is evidence of its political realism.

Aleksandr Fedorov comments: Yes, the decision taken by South Africa is evidence of political realism. However, it is also a clear indication of the importance of the nuclear non-proliferation treaty for the world. A climate of trust is created because an effective and valid system of collective security is unthinkable without this treaty. The growth in South Africa's military potential and its cooperation in the field of nuclear weapons with a series of West European firms, as well as its cooperation with Israel, has always been a threat to its neighboring states in Africa, and the world community.

This question has repeatedly been addressed during the sessions of the UN General Assembly, at OAU meetings and the meetings of the frontline states. The investigation carried out by the German government has shown that the companies, (Neu Tekhnologie) and (Physikalische Tekhnische Bewapen), have supplied South Africa with nuclear technology.

Earlier, in 1977 and 1979, there were reports of a nuclear testing site and of an explosion in the South Atlantic Ocean which, according to certain sources, was a nuclear explosion for which South Africa was responsible.

Israel fills a special position through its cooperation with Pretoria in the field of nuclear weapons. South African Foreign Minister Pik Botha, in his announcement on the decision by South Africa to sign the treaty, emphasized the fact that South Africa has never experimented with nuclear weapons. However, it is difficult to believe that Armscor [Armaments Corporation of South Africa] has never been involved in the manufacture of nuclear weapons. I remember how South African Defense Minister Magnus Malan, after every ground operation undertaken by the country's Defense Force, hinted mysteriously that South Africa is in possession of a weapon that would not only force the African countries to take notice of Pretoria, but also the international community. This enabled South Africa to hold its neighbors captive and as a result they were scared to assist liberation organizations fighting against apartheid.

Since the first stages of the dismantling of apartheid in South Africa many of its internal and external policies have changed. The South African Government has finally come to the conclusion that one cannot lift key apartheid legislation and still maintain legislation prescribing the use of force to threaten your neighbors. I don't think it was easy for President De Klerk to take action against the generals who for so long have determined the country's international policy. However, I am not convinced that South Africa's military big shots have reconciled themselves with the secondary role that they are playing now, or that they have decided to distance themselves from seizing any advantage to get back their lost power.

The developments in South Africa are evidence of the impossibility of returning to the Vorster or P.W. Botha regimes. Today military doctrines will not determine developments, it is the initiatives being proposed by President de Klerk to extend cooperation that will bring about change. The decision taken by South Africa to sign the Nuclear Non-Proliferation Treaty is exactly one of those initiatives the world expects from a country who has decided to become a full member of the civilized world.

PRAVDA Reports Greetings to ANC Conference

PM0307152591 Moscow PRAVDA in Russian 2 Jul 91 Second Edition p 5

[Undated CPSU Central Committee Secretariat message to South African ANC National Conference]

[Text] To the South African African National Congress [ANC] National Conference

We greet the delegates to the South African ANC National Conference, meeting legally for the first time after decades of prohibitions and persecution. This event itself is the result of the selfless struggle of the South African people led by the ANC to eliminate apartheid, of extensive international support for that struggle, and of the actions of realistically minded circles in South Africa.

We express our readiness to continue and strengthen the age-old friendship and cooperation between the CPSU and the ANC.

[Signed] The CPSU Central Committee Secretariat.

Angola To Ask USSR To Write Off Debt

LD0307121591 Moscow TASS International Service in Russian 1130 GMT 3 Jul 91

[By correspondent Aleksandr Korzun]

[Text] Luanda, 3 Jul—Angola intends to approach the USSR with a request to write off its military credits debt, and also to postpone for 100 years the payment of the outstanding debt. This was reported today by O JORNAL DE ANGOLA, citing a local official source. The task in question will fall to a government delegation which will visit the USSR in the next few months.

This intention is prompted by the fact that Angola, which is faced with rebuilding its war-ravaged country, does not possess the funds.

Angola has owed the USSR thousands of millions of dollars. Much of this sum consisted of military credits. Until recently the Soviet Union was the main weapons supplier for the Angolan Army, and it also sent military advisers and experts to service military equipment. The USSR stopped providing military assistance to this country after peace agreements between the Angolan Government and the opposition organization of UNITA [National Union for the Total Independence of Angola].

CPSU Delegation Ends Zimbabwe Visit

LD0307163191 Moscow TASS International Service in Russian 1015 GMT 3 Jul 91

[By correspondent Aleksandr Yurin]

[Text] Harare, 3 Jul (TASS)—The official visit to Zimbabwe by a CPSU delegation led by V.V. Donskikh, first secretary of the Lipetsk Oblast Committee of the Russian Soviet Federated Socialist Republic Communist Party has ended.

The CPSU representatives were received by Simon Muzenda, vice president of the Republic, second secretary of the country's ruling Zimbabwe African National Union—the Patriotic Front ZANU-PF, who expressed support for the CPSU's course toward preserving the Union, and solidarity with the struggle of liberation movements in the south of Africa for independence. On behalf of M.S. Gorbachev, general secretary of the CPSU Central Committee, the leader of the delegation asked for greetings and wishes for success and prosperity to be conveyed to the people of Zimbabwe.

During the visit there was an interested exchange of views with the ZANU-PF leadership on various issues, and the prospects for expanding all-round contacts between the two parties and also some international problems, first and foremost the situation in southern Africa, were also discussed.

A protocol on cooperation between the CPSU and the ZANU-PF for 1991-1993 was signed which, in particular, envisages the development of relations in the sphere of training cadres, the exchange of delegations, publications and literature on social and political issues, and the expansion of contacts between women's, youth and other public organizations of the two countries.

Lukyanov Receives Senegalese Delegation

LD0307195291 Moscow Central Television First Program Network in Russian 1800 GMT 3 Jul 91

[From the "Vremya" newscast]

[Text] Today Anatoliy Lukyanov, chairman of the USSR Supreme Soviet, had a meeting with a delegation of Senegalese parliamentarians headed by Abdoul Aziz N'Daw, president of the National Assembly, which is on an official visit to the Soviet Union. There was an exchange of information on legislative work in the parliaments of the two countries. The coincidence or proximity in the approaches of the Soviet Union and Senegal in tackling main international problems, including those relating to Africa, was noted. [video shows Lukyanov greeting the delegation, holding discussions]

East Europe

Delegation in Prague Urges Unity in SFRY

OW0507073891 Moscow INTERFAX in English 1200 GMT 4 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] At the two day meeting of the CSCE signatories in Prague (July 3 and 4), the Soviet delegation spoke out for all means to be used to preserve the unity of Yugoslavia. The delegation warned of the unacceptability of interference in the internal affairs of Yugoslavia or the imposing on her of any recommendations. The people of Yugoslavia should themselves resolve their problems in a constitutional way by means of dialogue between the conflicting sides.

The Soviet Foreign Ministry highlighted the fact that this was the second time the situation in Yugoslavia had been discussed in the CSCE framework. The first occasion had been on June 19-20 in Berlin, where the question had come up at the Council of Foreign Ministers of the 35 countries and a corresponding resolution had been adopted. Yesterday's meeting of the newly-formed mechanism for consultation and cooperation in extreme situations in Europe was called by the 12 EEC countries with the agreement of Yugoslavia. DP's [Diplomatic Panorama] correspondent was told that one of the ideas considered was to carry out similar consultation until the full regulation of the situation in Yugoslavia.

Official Comments on Yugoslav Conflict

OW0407203591 Moscow INTERFAX in English 1530 GMT 3 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

Moscow hopes that constitutional mechanisms will be brought in to ensure a peaceful and democratic solution to Yugoslavia's internal conflict now that Mr Mesic is in charge of the country's collective presidency. A Soviet diplomat at the foreign ministry's 3rd European department disagreed with a view saying the Yugoslav People's Army had gone out of control. Speaking in an interview with INTERFAX news agency he referred to Mr. Mesic's statement this morning saying he was in control of the situation in the country.

Soviet Foreign Ministry officials also reaffirmed they welcomed that the Yugoslav issue was being discussed within the framework of the 35-nation Conference on Security and Cooperation in Europe whose senior officials met in Prague on Wednesday as part of the newly set up European mechanism for the prevention of conflicts. Diplomats say the Soviet delegation led by Mr. Deryabin believes that the conflict must be discussed within an overall European context, but in close touch with and agreement from Yugoslav officials to avoid the impression of views or assessments being imposed.

CPSU Sends Greetings on Yugoslav Anniversay

PM0407131591 Moscow PRAVDA in Russian 4 Jul 91 Second Edition p 4

["CPSU Central Committee Secretariat Greeting"]

[Text] On the 50th anniversary of the beginning of the Yugoslav peoples' war of liberation against fascism, the CPSU Central Committee Secretariat sends cordial greetings to war veterans, Communists, and all working people of friendly Yugoslavia.

The armed uprising initiated by the Communist Party in 1941 developed into a nationwide struggle for freedom and brought closer the overall victory of the anti-Hitler coalition.

In connection with this memorable jubilee, we express sincere feelings of solidarity and wishes for success to the country's democratic and patriotic forces in their efforts to stabilize the situation in Yugoslavia and preserve the Yugoslav state's territorial integrity and unity.

Messages Exchanged on Troop Withdrawal

Hungarian President Thanks Gorbachev

PM0307144991 Moscow PRAVDA in Russian 2 Jul 91 Second Edition p 1

[Hungarian President Arpad Goncz telegram to USSR President M.S. Gorbachev on Soviet troop withdrawal from Hungary]

[Text] To USSR President Mr. M.S. Gorbachev

Mr. President!

Allow me, now that Soviet troops have left Hungary of their own accord under the bilateral agreement, thus restoring our country's sovereignty, to express to you my sincere gratitude.

For Europe the period between the end of the war and the start of your activity, which is determining political processes, was marked by years of stagnation, Cold War, atomic quietude, a nuclear world. Now, embarking on the road of democracy, our country is bidding farewell to the army of another country that has taken the path of democracy. I wholeheartedly hope that the years ahead will be years of true peace for both our countries' peoples, when Europe and democracy will be as one.

The Soviet people are right to take pride in their Army and its victory in the Great Patriotic War and to mourn their heroes, very many of whom lie on Hungarian soil. The least I can promise today is that we will treat the tombs of these heroes with respect and take care of them.

The young troops who recently returned home, obviously with joy in their hearts that they do not have to serve far from home, no longer remember the war and only know of it from their grandfathers' tales. They have always been ready to come to the aid of the Hungarian economy, respond to the requests of the local population, and give up their leisure and spare time when necessary to extend a helping hand to those in need, for instance during the time of the floods.

Expressing to you our gratitude for the disciplined Soviet troop withdrawal as scheduled, I would like to hope that the troops will retain their good memories of Hungary and remember their service here with friendly feelings, and that both our countries, your homeland and mine, will fight together, shoulder to shoulder in friendly cooperation for our common goal—a united, peaceful Europe.

With respect and friendly feelings.

[Signed] Arpad Goncz.

Gorbachev Reply

PM0307144191 Moscow PRAVDA in Russian 2 Jul 91 Second Edition p 1

[USSR President M.S. Gorbachev telegram to Hungarian President Arpad Goncz on Soviet troop withdrawal from Hungary]

[Text] To Hungarian President Mr. Arpad Goncz

Esteemed Mr. President!

Allow me to express my sincere gratitude for your warm words in your message on the completion of the Soviet troop withdrawal from Hungarian territory. This event is another step toward strengthening trust and mutual understanding between our countries' peoples and forming new conditions for security and cooperation in Europe. Now that the last Soviet soldier has returned home, we can state with satisfaction that an extremely wide-ranging and difficult job has been accomplished. It must be completed by reaching agreement on the just sale of Soviet troops' property remaining in Hungary.

I value highly your readiness to preserve a respectful attitude to the tombs and memorials of the Soviet troops who died in the battles against fascism on Hungarian territory. There is no need to say how important this is in order to maintain good relations between our peoples. For my part I would like to stress that people in the Soviet Union, which experienced in full measure all the burdens and weight of World War II and sustained tremendous casualties, react with understanding to the Hungarian people's desire to preserve the memory of their compatriots who died during those years on Soviet soil.

I would like to take this opportunity to once again reaffirm that the Soviet leadership firmly intends to structure relations and develop cooperation between our countries on the basis of trust, good-neighborliness, equality, and mutual benefit with a view to strengthening stability and peace on the continent and consolidating international security.

With respect and good wishes,

[Signed] M. Gorbachev.

Soviet-Bulgarian Foreign Ministries' Statement on Ties

LD0507145291 Moscow TASS in English 1433 GMT 5 Jul 91

[Text] Moscow July 5 TASS—Taking into account thorough-going democratic restructuring in the Soviet Union and Bulgaria and considerable changes in the European and international situation, the sides consider it necessary to renovate the treaty basis for their relations and agreed to elaborate and sign a new wide-ranging political treaty, reads a joint statement by the Soviet and Bulgarian foreign ministries, distributed here today.

After the new treaty comes into effect, the treaty on friendship, cooperation and mutual assistance, dated May 12, 1967, will become invalid, the statement reads.

Bulgarian Industry Minister on Moscow Talks

PM0307102191 Moscow IZVESTIYA in Russian 1 Jul 91 Union Edition p 5

[Report by A. Kapralov: "Moscow Believes in Business"]

[Text] Sofia—"Moscow does not trust tears but it is beginning to believe in business," I. Pushkarov, minister of industry, trade, and services, told journalists on arriving from Moscow. "At first," he continued, "I was seen as a polar bear, since I was the first Bulgarian minister and opposition member to visit Moscow. But later, and a sense of humor was a help here, people there understood that the economy remains the economy irrespective of the color of a person's political persuasions."

In the opinion of the newspaper TRUD Pushkarov's visit is of great importance for the Bulgarian economy, which is "choking" from the overproduction of goods intended for the Soviet market. It must be understood that it is choking because no one in the West is taking these goods while the omnivorous and not very discerning Soviet market can swallow up everything. The procedure introduced for mutual accounting as of the start of this year has tied hand and foot thousands of potential partners both in Bulgaria and in the Soviet Union. Essentially barter has been banned and accounting in national currencies has not been able to find its way yet after all the most farsighted businessmen long ago pointed to the opportunity of putting the ruble and the lev into circulation.

Now, the minister announced, a considerable proportion of barter deals will be ensured in rubles and leva but at the dollar exchange rate. Memorandums have been signed in Moscow on cooperation with the ministries of automotive and agricultural machine building, communications, defense, and the Russian Soviet Federated Socialist Republic Ministry of Industry. The minister noted that direct ties are beginning with individual Soviet republics and cooperation between individual districts instead of "twinning" ties is shifting to a businesslike basis.

Pushkarov said that a strategic agreement has been reached in the field of automotive electronics: The Plovdiv Bulgarian-Soviet "Avtoelektronika" joint venture, boosted by the participation of the FIAT firm, will produce in Bulgaria some of the electronics for the new "Zhiguli" models in exchange, naturally, for finished output. Moscow has also accepted the Bulgarian idea that a number of Soviet enterprises could become shareholders in Bulgarian firms, with Western firms involved in the partnership.

The firms, Pushkarov said, must implement contacts themselves between each other. Our task is to eliminate all obstacles for them although of course our economy cannot exist without collaboration at state level between Bulgaria and the USSR.

New Aircraft Exhibited in Bulgaria

LD0307095191 Moscow Central Television First Program Network in Russian 2100 GMT 2 Jul 91

[Text] The new Soviet TU-204 aircraft has been exhibited in Sofia. Bulgaria is the first country to import Soviet aviation technology, having received the opportunity to acquaint itself with one of the new developments of the Tupolev bureau. As the aircraft's chief designer stated, this is the first Soviet airliner capable of competing with the best models of Western aircraft building.

Nishanov Receives Romanian Ambassador

PM0507092591 Moscow IZVESTIYA in Russian 29 Jun 91 Moscow Edition p 4

[TASS report under general heading: "Official Reports"]

[Text] On 28 June R.N. Nishanov, chairman of the USSR Supreme Soviet's Soviet of Nationalities, received V. Sandru, Romanian ambassador to the USSR, at the latter's request.

During the friendly talk there was an exchange of opinions on topical questions of Soviet-Romanian relations. The sides had a specific discussion of the state and prospects of interparliamentary contacts. The desire was voiced to expand of mutually advantageous bilateral cooperation and lend it a more dynamic nature. The treaty on cooperation, good-neighborliness, and cooperation between the USSR and Romania creates a good basis for that.

R.N. Nishanov described the Soviet parliament's lawmaking activity and the progress of work on the draft law on the basic principles of the destatization and privatization of enterprises and on the new Union Treaty.

Albanian Parliamentary Delegation Arrives

LD0507103391 Moscow TASS in English 2028 GMT 4 JUL 91

[By diplomatic correspondent Andrey Pershin]

[Text] Moscow July 4 TASS—An Albanian parliamentary delegation headed by President of the Presidium of the People's Assembly Kastriot Islami arrived here today at the invitation of the Soviet parliament. This is the first visit of Albanian legislators to the Soviet Union over the past 30 years. Over this period diplomatic relations between the two countries were ruptured. They were resumed in the summer of last year.

The programme of the official visit includes meetings with the head of the Union parliament and heads of the chambers, conversations at the ministries of foreign affairs and foreign economic relations.

The Albanian MPs will be given an apportunity to travel in the Moscow region—to visit a local council, a collective farm and a farmer's economy [as received] and also to go sightseeing in the capital.

It is hoped that the visit of the Albanian MPs will lead to the establishment of interparliamentary ties and the development of relations in various areas, TASS learned at the Soviet Parliament. A similar striving is shown by the Albanian side.

"It is a first visit by an Albanian delegation, and it has a political nature. Its purpose is to melt the ice in relations between the two countries", the Albanian delegation's head, President of the Presidium of the Albanian People's Assembly Kastriot Islami told TASS.

"The main purpose of the visit is to establish contacts between parliaments of the two countries. It will open the road for the exchange visits by heads of state and contacts at other levels", he said.

The head of the delegation said that Albania is striving to develop ties with the Soviet Union, just as with the other countries. "As a representative of a younger generation of Albanian politicians, I believe there is no sense in attaching too much importance to the past. We should think of the future of our relations", he said.

The Soviet parliament has the information that Kastriot Islami brought a message of Albanian President Ramiz Alia to Soviet President Mikhail Gorbachev.

West Europe

Gorbachev-Kohl 5 July Meeting Previewed

Observer Comments

LD0407085991 Moscow TASS in English 0836 GMT 4 Jul 91

[By observer Roman Vladimirov:]

[Text] Moscow July 4 TASS - Soviet President Mikhail Gorbachev will meet German Chancellor Helmut Kohl in Kiev on Friday. A political dialogue between the Soviet Union and Germany is becoming more dynamic, profond and prompt. Both countries began to implement new treaties and agreements signed by the USSR and united Germany. Problems are emerging which call for political settlement on the summit level.

The Kiev meeting will be held on the eve of the London meeting of the Seven. Special attention will be devoted to this issue. Germans are interested in the talks, due to be held by Gorbachev within the framework of the London meeting, bringing tangible results, because the next meeting of the Seven will be held in Munich.

Western countries, including Germany, would like to know, in the first place, whether or not perestroika will get a second wind. It is clear that the pace of the Soviet Union's advance along the path of economic reforms and radical transformation of all spheres of the life will depend, to a considerable degree, on the readiness of the leading Western countries to help the Soviet Union in this undertaking.

Priority directions of cooperation with the USSR include the agro-industrial complex, energy generation, transport and communication. Western aid will be of little effect without their radical modernisation. The modernisation of Soviet oil and gas extracting facilities could be added to this list. Additional oil and gas, extracted as a result of the modernisation, would help the Soviet Union pay back western credits.

From the political point of view, it is also necessary now to render assistance to the young democracy in this country, which is being attacked by right-wing forces.

Moscow proceeds from the assumption that the west does not want the disintegration of the Soviet Union with all its grave and unpredictable consequences. The invitation of Gorbachev to London, talks with him and the coordination of a plan of assistance to the reforms will strengthen the centripetal forces in Soviet society, which, on the whole, is in line with western interests.

Moscow Radio Report

LD0407225791 Moscow All-Union Radio Mayak Network in Russian 1930 GMT 4 Jul 91

[Text] A meeting will take place near Kiev tomorrow between USSR President Mikhail Sergeyevich Gorbachev and FRG Chancellor Helmut Kohl. Our special correspondents Igor Sidorovich and Viktor Levin, report:

[Sidorovich] The meeting will be purely for business, with no events held for the sake of protocol. It is expected that FRG Chancellor Kohl will arrive almost immediately after Mikhail Sergeyevich Gorbachev, somewhere around 1200 or perhaps 1300 Moscow time. Kohl and President Gorbachev will head straight for Mezhegorye from Kiev's Borispol airport. What is Mezhegorye? It is a small town, some 15 km from Kiev. They will spend tomorrow there having one-to-one talks, almost without a break.

[Levin] A leading official in the USSR's Foreign Ministry has told me that the forthcoming talks will cover a wide range of issues. The principal subject is the impending G-7 conference. Bearing in mind the nature of our relations with the FRG, which are distinguished by depth and a high degree of cooperation, I shall venture to express the expectation that Mikhail Sergeyevich Gorbachev might inquire about Helmut Kohl's opinion regarding the ideas which he intends to take to London.

Another subject for discussion will be a range of economic problems, primarily trade between the eastern laender of Germany, as the former GDR is now called, and the Soviet Union. I cannot say that the task is simple, but it has to be tackled, as do financial and property issues connected with the withdrawal of our troops from Germany. If Gorbachev and Kohl find approaches to a solution to those problems in principle, the rest will be a technical matter, as they say.

Gorbachev and Kohl will hardly ignore problems facing the whole of Europe. We have identical views on many of them. Both the Soviet Union and the FRG are in favor of institutionalizing the pan- European process; and the hotspot of Yugoslavia is on everybody's lips right now.

They will probably also deal with the Middle East. For the first time in very many years the Soviet Union is finding mutual understanding on the Middle East problem with the United States. This creates a unique situation, and it would be a crime not to exploit it. I only hope Gorbachev and Kohl will have enough time.

TASS Discusses Agenda

LD0507090891 Moscow TASS in English 0838 GMT 5 Jul 91

[Text] Kiev July 5 TASS—Soviet President Mikhail Gorbachev will meet German Chancellor Helmut Kohl in the picturesque ancient town of Mezhigorye near Kiev today to discuss bilateral relations, the Soviet withdrawal from Germany and several other issues.

The two leaders face a hectic negotiating schedule with only a half-an-hour break.

Both Germany and the Soviet Union are now working to implement agreements they have signed and needed a meeting to clarify certain issues, according to Soviet diplomatic sources.

The two will discuss Soviet-German economic relations following German unification and other things. Many issues have been discussed by experts and now need high-level approval.

Gorbachev and Kohl will also discuss East-West relations and the forthcoming summit of the seven leading industrialized nations.

Hopefully, both leaders share views on relations between the Soviet Union and the G-7 nations and will reach consensus in their talks.

President Gorbachev is preparing to visit London and Kohl was an active supporter of inviting him to the British capital. Kohl wants the Soviet Union to be incorporated in the world economy.

Hopefully, the tete-a-tete on the Dnieper will help chart bilateral relations towards a partnership in building a new Europe.

Gorbachev Meetings in London Reported

Mitterrand 17 July

LD0407101791 Moscow TASS in English 1004 GMT 4 Jul 91

[Text] Moscow July 4 TASS—In accordance with an agreement Soviet President Mikhail Gorbachev and French President Francois Mitterrand will meet in London on July 17, it was officially announced here.

Andreotti, Mulroney 18 July

LD0307191491 Moscow TASS International Service in Russian 1853 GMT 3 Jul 91

[Text] Moscow, 3 July (TASS)—In accordance with an arrangement, working meetings between USSR President Mikhail Gorbachev and Italian Prime Minister Giulio Andreotti and Canadian Prime Minister Brian Mulroney will take place on 18 July in London.

Gorbachev Discusses G-7 With UK Officials

LD0107203391 Moscow TASS in English 1732 GMT 1 Jul 91

[Text] Moscow July 1 TASS—Mikhail Gorbachev today met N. Wicks and R. Bone, who represent British Prime Minister John Major in the runup to the G-7 meeting in London.

Wicks briefed Gorbachev on the traditions and rules that characterised this regular conference of the leaders of the seven countries and issues that interest them during the meeting with the Soviet president in London.

Gorbachev set out the views that underlined preparations for that meeting. An agreement was reached to hold expert-level contacts in the next two weeks.

Observer Assails Woerner, Galvin Concepts

LD0307200991 Moscow TASS in English 1959 GMT 3 Jul 91

[By military observer Vladimir Bogachev]

[Text] Moscow July 3 TASS—NATO Secretary-General Manfred Woerner on Tuesday outlined his concept of European security after the end of the "cold war".

Woerner said that in new conditions, opposing the vast geopolitical massif of the Soviet Union and safeguarding NATO interests outside Europe in close interaction with the United States still remain NATO's main tasks.

According to Woerner, the United States is the only superpower, which can lead in the world. Woerner said the new international order can be built only around the transatlantic axis. After the end of the cold war, European member-countries will have more rights in the organisation, but they will have to bear most of the burden of military spending, he said.

Woerner seems to have tried to reject France's proposals and those by other countries to create purely European military structures, thus retaining the United States' leading role in resolving West European military problems.

Moreover, in conditions of lessening military opposition between the Soviet Union and NATO, Woerner proposed spreading the North Atlantic Treaty's zone of responsibility beyond the borders of its members.

Woerner suggested subordinating NATO rapid deployment forces to the Western European Union (WEU), which has the mandate for combat actions in any region of the world.

In this respect, it is worth recalling that WEU Secretary-General Willem de van Eekelen has said WEU forces could be used during a crisis on the Soviet Union's border with Poland, Czechoslovakia, Hungary and Romania.

According to the NEUES DEUTSCHLAND newspaper, NATO Supreme Allied Commander in Europe John Galvin does not exclude the possibility of NATO interference in Yugoslavia or the use of rapid deployment forces to show muscle in case of unforeseen events in the Soviet Union, the Balkans, Southeast Asia, the Middle East and northern Africa.

The international public is also worried about plans to equip rapid deployment forces with nuclear weapons.

Unfortunately, in his speech Woerner failed to mention last year's decision by the NATO Council to increase the organisation's political component. The conjunction of NATO functions with the CSCE process in the interest of the West has been discussed more often in the capitals of NATO member-countries.

At the same time, favourable conditions have been formed in Europe for creating non-bloc all-European security structures as an effective instrument for resolving problems facing CSCE member- states.

The Soviet Union resolutely opposes interference by a group of countries in other states' internal affairs. It favours creating effective structures for averting conflicts in Europe by political means and imparting a new quality to the CSCE process in the interest of peace and stability on the European continent.

Forces Command Complains of German Treatment

LD0307142391 Moscow TASS International Service in Russian 1323 GMT 3 Jul 91

[By correspondent Vyacheslav Katyayev]

[Text] Berlin, 3 Jul—The press center of the Western Group of Forces circulated today an official statement which says in particular:

In June the command of the Western Group of Forces, together with the local authorities and the population of the new federal laender continued to take various steps to strengthen mutual trust and good-neighborliness. At the same time, however, it has to be stated that in this period there were 15 cases of illegal actions by FRG citizens with regard to the Soviet military and members of their families.

The most typical are the beating up of Soviet officers and soldiers. Thus, on 4 June at Schwerin train station three FRG citizens assaulted Private R. Kravchenko, as a result of which he sustained head and brain injuries. On 11 June in Schoenefeld unknown masked people beat up Lieutenant Yu. Krupachenko.

Two cases in which firearms were used have been registered. On 9 July in Leipzig Sergeant I. Kartashov received a bullet wound.

Local police authorities do not always inform the Soviet commandant's office of the steps taken with respect to the criminals and hooligans.

The command of the Western Group of Forces expresses concern with regard to these and other illegal acts and hopes that the necessary steps will be taken to avert and prevent such incidents.

Possibility Raised of Delaying Troop Withdrawal

PM0307114091 Moscow KRASNAYA ZVEZDA in Russian 28 Jun 91 Second Edition p 3

[Report by TASS correspondent V. Katyayev from Berlin plus Colonel V. Markushin report from Bonn: "Western Group of Forces Press Center Statement..."]

[Text] [Katyayev report] Berlin, 27 Jun—A statement has been issued here by the Western Group of Forces [WGF] Press Center, saying that in accordance with the USSR-FRG treaty on the terms for the temporary presence and systematic withdrawal of Soviet forces from FRG territory, the WGF command has sought in 1991 strictly and unconditionally to fulfill its commitments as regards observing the plan and timetable for the withdrawal of Soviet forces from Germany. However, it will now be forced to raise the question of a temporary suspension or slowing of the pace of the planned withdrawal of forces from FRG territory beginning in July. This is due to the fact that the majority of the officers and their families due to return home in the second half of this year have no housing. This housing is supposed to be built in 1991 by the German side under Article 3 of the 9 October 1990 agreement between the USSR and FRG Governments, the statement stresses.

[Markushin report] ...Bonn's Reaction

This statement provoked a wide reaction in FRG political circles. In particular, it is reported that V. Terekhov, USSR ambassador to Bonn, was summoned to the Foreign Ministry, where his attention was drawn to the timetable enshrined in bilateral agreements for the final withdrawal of the forces and the pace specified, which is said not to be linked to the progress in implementing the housing construction program.

Attacks on Soviet Forces in Germany Increase

Summary of Incidents

PM0307112891 Moscow KRASNAYA ZVEZDA in Russian 28 Jun 91 Second Edition p 3

[TASS report: "Concern Expressed"]

[Text] Berlin, 27 Jun—At places where military units of the Western Group of Forces (WGF) are stationed, an increase has recently been noted in the number of unlawful actions by the local population against Soviet servicemen and their families. They are subjected to physical and moral injuries.

In Frankfurt-an-der-Oder on 19 June five German citizens went on the rampage in the residential area of a Soviet military unit. Armed with metal bars, axes, and gas pistols, they broke down the entrance doors, smashed windows, and grossly insulted Soviet people. A nine-year-old girl was hurt when a gas pistol was fired at her. One of the criminals was arrested...

On 22 June two drunken local inhabitants burst into a servicemen's apartment at the Laerz garrison, demanding food. Warrant Officer Korchak, who tried to throw them out, was knifed in the belly. He was hospitalized, in a serious condition.

On the same day a Soviet sentry, Private Nefedyuk, was attacked in Potsdam. A shot was fired from a car that approached his post—the bullet passed through the sentry's left thigh.

The WGF command expresses concern over these and other instances of violations of the law, and hopes that the German authorities will take all encessary measures to forestall and prevent such incidents, a WGF press center report notes.

Soldier's Burned Body Found in Leipzig

LD0507083391 Moscow TASS International Service in Russian 1740 GMT 4 Jul 91

[By correspondent Vladimir Pavlyushin]

[Text] Berlin, 4 Jul (TASS)—according to a report from the press service of the Western Group of forces [WGF] and the Leipzig police, the burned corpse of a Soviet soldier was discovered by children in one of the city's districts. The soldier had been serving with a WFG military unit stationed in Leipzig. A medical examination showed that before he was burned, serious bodily injuries had been inflicted on him.

An investigation of the crime is being conducted by the WGF procuracy in conjunction with the Leipzig police and prosecutor's office.

FRG Official on Autonomy for Volga Germans

LD0407085891 Berlin ADN in German 1605 GMT 3 Jul 91

[Text] Moscow (ADN)—Decisive moves toward restoring the state autonomy of the Volga Germans will be made before the end of this year, Dr. Horst Waffenschmidt, parliamentary state secretary at the Federal Interior Ministry, told journalists in Moscow today. The Federal Government official responsible for resettlers is currently in the Soviet Union for political talk with representatives of the Germans in the USSR, and the Soviet authorities responsible both at Union and Russian Soviet Federated Socialist Republic [RSFSR] level.

The Volga region has a great symbolic value for Germans and their history, and the Federal Government places great importance on the recreation of a state unit, Waffenschmidt stressed. Even if not all Soviet Germans want to return there, the creation of a "small German homeland" is of key significance for their self-image.

Bonn, Moscow, and the governments of the relevant republics are in agreement that emigration of the total of around 2 million Germans is neither in the interests of those concerned, nor those of the two states, Waffenschmidt said. With 76,576 resettlers, half as many had emigrated in the first half of this year as in the same period of last year. Also, 2000,000 Soviet Germans who have an exist visa will wait before leaving.

Waffenschmidt announced a targetted aid program for the German autonomous oblast in Altay, refounded by a decision of the RSFSR parliament. This took into account the fact that neighbors of other nationalities also living in regions populated by Germans should gain advantages from this.

During talks on cultural cooperation, it had been agreed, in connection with the return of cultural assets, that a group of experts from Bonn will inspect around 400,000 volumes of German literature still stored in the USSR. Combating organized crime and drug abuse was the focus of the exchange of opinions in the sphere of internal security.

'Disruption' in USSR-Former GDR Trade

OW0407050691 Moscow INTERFAX in English 1900 GMT 3 Jul 91

[Transmitted via KYODO]

[Text] The main issue of Soviet-German trade is linked to the disruption of former economic contacts between the Soviet Union and what used to be East Germany. With bilateral trade now carried out in hard currency and world prices, firm steps are needed both from the governments and industrialists to break the deadlock.

East and West Germanies: The Soviet Union's Main Partners

Since 1959, the former East Germany had been this country's large trading partner for all of 30 years accounting for about 11 percent of the Soviet Union's foreign trade by the late 1980s, with nearly half of East Germany's exports to this country being part of bilateral industrial cooperation.

Bilateral trade reached an all-time high of Rbl [ruble] 15 billion (about $25 billion) in the mid 1980s to Rbl 5-6 billion ($9-10 billion) with West Germany, the Soviet Union's large western trade partner at the time.

The shrinkage of trade between the Soviet Union and five new German pallatinates followed by the disruption of cooperation supplies forced dozens of large Soviet plants to halt production lines depending on German components.

Government Effort May Not be Sufficient

Germany and the Soviet Union want to restore former trade links, with the German side expressing readiness to finance the exports of components and finished products from what used to be East Germany anything from shipbuilding down to farm, hoisting, transport and chemical industry equipment.

Credit lines are to be opened by Deutsche Bank AG, Dresdner Bank AG, as well as Hermes state insurance company. The country's finance minister, Mr. Juergen Melleman, spoke of more thah DM [Deutsche marks] 23 billion in credits and financial aid being allocated to this end and to cover the cost of the withdrawal of Soviet troops from Germany.

Germany and the European Community agreed to ease tariff barriers to Soviet manufacturers to help stabilise economic relations between the Soviet Union and eastern parts of Germany, including the exemption from EC customs duties over the transitional period yet to be defined by the German Government. This will help Soviet exporters save an estimated Rbl 200m in hard currency rubles ($320m) annually. No EC standards are to be applied to a number of Soviet proudcts including machine tools, electrical appliances, and wine. Soviet exports will also be exempt from anti-dumping taxes. All of this will help Soviet exporters save extra Rbl 70m in hard currency rubles ($110m).

Experts say such measures will raise the competitiveness of Soviet products in the markets of five German lands. Bilateral trade can also increase following the Soviet Government's decision to allow Soviet agencies to hold barter deals with East German plants.

Industrialists Back up Government Efforts

The Soviet Union's Science and Industry League, SIL, and the Association of German Industrialists, BDI, are planning active involvement in restoring former trade links. Recently, they agreed to set up a mixed group of experts whose recommendations will be sent to the two countries' ministries and departments, including the inter-government Soviet-German working commission due to start work in Germany on July 27.

BDI and SIL are also planning to open talks with Germany's Trusteeship Council (Treuhandanstalt) resposible for the privatisation of state-owned plants in eastern lands about the possibility of restoring former economic contacts there.

German Companies Ready To Invest Into Soviet Industries

The captains of the German industry are due to visit the Soviet Union this month and next, among them-heads of Mannessman AG, FEBA AG, and Lentis groups, and Schlemansimak company.

Mannessman and Ruhrgas AG together with Deutsche Bank AG are keen to be involved in projects for the repair of gas pipelines leading from Taimyr peninsula and Eastern Siberia to Western Europe as well as for laying new pipelines.

FEBA AG is expected to hold further talks with oil producers in Tataria and Volgograd District (in the lower reaches of the Volga River) on oil prospecting and oil production in the low and mid- Volga areas as well as on putting up advanced refining facilities there. For its part, Lentis Group wants to get involved in a project to construct water treatment facilities in the mid-Volga and Kazakhstan to help resolve the environmental issues of Kansk-Achinsk mining area.

Schlemansimak is negotiating the possibility of cooperation with steel mills in the central Russian cities of Novolipetzk and Mikhailov, and chelyabinsk in the Urals.

The visits were scheduled under an agreement between BDI and SIL, whose delegation led by its chairman, Mr Arkadiy Volskyky, visited Germany later last month.

BDI and SIL are expected to help resolve the issues of financing joint projects as wel as in cases in which government decision making is needed to implement a project.

Problems Dominate Pavlov Talks in Austria

PM0307090591 Moscow PRAVDA in Russian
29 Jun 91 Second Edition p 6

[Report by correspondent I. Melnikov under the "On the Spot" rubric: "Dialogue Between Pragmatists: Soviet Prime Minister's Visit to Austria"]

[Text] Vienna, 28 Jun—The office of counselor Erich Engel, responsible for the accreditation of the journalists covering the Soviet premier's visit, was like a photographic portrait gallery. On the walls there were several rows of photographs of the presidents, heads of government, and crowned heads who have visited Austria in the past three decades.

"The Soviet Union is well represented," the doyen of the Austrian protocol service said, anticipating my question. "All your postwar heads of government have visited Vienna. Look, here is a photo of Khrushchev, there is Kosygin, Tikhonov, and here a quite recent picture of Ryzhkov in 1987..."

Although in every respect Austria corresponds to the concept of a "small European country," it has never lacked attention from Soviet premiers. The tradition continues to this day: Vienna is the venue of intensive, businesslike talks between USSR Prime Minister V. Pavlov and a broad range of Austrian partners.

On the very eve of the Soviet guest's visit I talked with Austrian Chancellor Franz Vranitzky. I asked what he, as head of the government and leader of the Socialist Party, expects from the forthcoming talks. My interlocutor, always precise in his words, said that in his opinion economic questions remain the priority. One of the most complex problems on the path of intensifying reciprocal links, F. Vranitzky stressed, is the search for quite specific, reliable partners for the conclusion of deals.

"Plans must be reinforced by life, otherwise what are they worth?" the chancellor said. "I am certainly not pessimistic, although in my dialogue with Premier Pavlov I shall undoubtedly highlight the theme of the earliest elimination of the various bureaucratic barriers which Austrian business circles are continually running into now. Whereas in pre-perestroyka times a gigantic ministry or, for example, an association of the "Soyuzpromeksport" type was an obstacle that was eventually overcome, albeit with difficulty, nowadays our businessmen have lost their points of reference and do not know who is who in the Soviet market."

The federal chancellor complained that a number of interesting projects have been shelved simply for want of Soviet partners. This is a bitter paradox. The 4 billion schillings recently allocated by the Austrian government for the development of export links with the USSR have essentially "not been taken up." Local businessmen have heard that some enterprises and associations in our country now enjoy greater autonomy than before but are despondent at the lack of appropriate information.

...Hardly had the last notes of the brass band faded or the honor guard's swords been sheathed at Vienna's Schwechat airport than the two government heads began a long and frank discussion. It was a dialogue between pragmatists who know the value of clear words but who nevertheless prefer action. Apart from everything else their mutual understanding was based on professional kinship: In the recent past both headed their countries' finance departments.

As expected, attention focused on problems of trade and economic and scientific-technical cooperation.

At the final press conference held today, your PRAVDA correspondent asked V. Pavlov:

"What have you gained from the meetings with your Austrian colleagues, especially with Federal Chancellor Vranitzky? What is their attitude to our perestroyka? How ready are Austrian businessmen for cooperation with Soviet partners?"

"We saw above all," V. Pavlov noted, "that our Austrian colleagues are clearly concerned about the future of our bilateral relations in both the foreign policy and economic spheres. Our visit and the contact with Chancellor Vranitzky reaffirmed that the peoples of the Soviet Union and the Austrian Republic have every reason to expect that their countries will remain good and sincere friends."

Reportage on Pavlov's Visit to Austria

WA0207125091

For Austrian reportage on the visit by Prime Minister Valentin Pavlov to Austria, including reports on his talks with Austrian Chancellor Franz Vranitzky and President Kurt Waldheim, see the Austria section of the 2 July West Europe DAILY REPORT and subsequent issues.

Economist Yavlinskiy Sets Off on European Tour

OW0307045791 Moscow INTERFAX in English
1930 GMT 2 Jul 91

[Transmitted via KYODO]

[Text] Mr. Grigoriy Yavlinskiy, well-known Soviet economist, set off on Tuesday on a tour of European G7 countries, during which he will be having high-level contacts with politicians in Italy, the FRG, Great Britain and France.

Mr. Yavlinskiy, who is one of the authors of the Window of Opportunity programme for economic reform in the Soviet Union, which provides for massive western involvement, is making his trip as a private person, although according to information received by IF [INTERFAX] from a reliable source, both Mr. Gorbachev and Mr. Yeltsin know about the meetings he will be having. Mr Yavlinskiy and the programme's co-author Graham Allison, a well-known Sovietologist from Harvard University, met with both leaders in Moscow in late June.

In England, Mr. Yavlinskiy, is to meet with Mr. Jacques Attali, president of the European Bank for Reconstruction and Development.

Benetton Cited on Soviet Market Plans

PM0307093191 Moscow IZVESTIYA in Russian
1 Jul 91 Union Edition p 5

[Interview with Italian businessman Luciano Benetton by correspondent M. Ilinskiy in Rome; date of interview not stated; first paragraph is introduction: "It Is Simple To Say But More Difficult To Do..."]

[Excerpts] Rome—Italian businessman Luciano Benetton from Treviso, who has created a network of stores selling fashionable clothing, is known today throughout virtually the whole world. Now the "Benetton" sign is also familiar to Muscovites. How did he achieve success, how is he thinking of building his business relations with our country in the future? L. Benetton tells your IZVESTIYA correspondent.

[Benetton] I have always dreamed of visiting the USSR both at the age of 15 when, having graduated from secondary school, I began work and also when I already had over 2,000 stores scattered throughout the world. An opening onto the Soviet market is an aspiration which unites many businsesmen in the West. But far from all have succeeded in implementing it. I have been lucky thanks to a large amount of work and I was sure that I would be lucky now too: That I would manage to find an opening onto an enormous market with a population of nearly 300 million.

Where were the sources of my confidence? I do not know. Perhaps in the quality of the firm's goods and its international prestige. But after all I am not alone in that and I have many competitors. It was important to be the first, and not one of the first. McDonalds opened its restaurants and I opened a store near the "Moskva" hotel in the state department store. So that Benetton has crossed the last border in its entrepreneurial business—the Soviet border. [passage omitted]

[Ilinskiy] But you are selling your goods for hard currency. In some countries, the USSR for instance, far from all customers have dollars, pounds, marks, lira, or francs in their pockets. You are seeking an opening to the mass market—your dream is a market of 300 million people. Yet only an almost invisible percentage of customers are satisfied.

[Benetton] You are not entirely right. It is not a question of the percentage right now. We cannot work at a loss and we sell for hard currency—that is true and I shall say frankly that we are receiving in the Soviet Union the proceeds on which we counted. And that is the commercial and business side. There is also another side. In a certain sense our fashion is new and strange to you. And we are prepared to spend time and money so that you become accustomed to it. Moreover, we look into the future with optimism and we know that sooner or later the ruble will become convertible. By that time we shall have a reliable base for trade and production in the USSR. We have already signed an agreement on the creation of a joint venture and we shall set up the joint production of goods in Armenia, where the sale of finished output will be for rubles. [Benetton ends]

...Benetton's world-famous green "brand" color is already familiar to the Soviet customer. The firm began from nothing 25 years ago. Its success rests on enterprise and inventiveness, commercial honesty and industriousness. Today Benetton is prepared to go halfway to meet our entrepreneurs by receiving specialists and learning to work together to mutual benefit.

Lukyanov Receives Finnish Parliament Chairman

LD0307074491 Moscow Central Television First
Program Network in Russian 1800 GMT 2 Jul 91

[From the "Vremya" newscast]

[Text] Lukyanov, chairman of the USSR Supreme Soviet, today in the Kremlin received Suominen, chairman of the Finnish parliament, who is in Moscow on a brief working visit. During a friendly conversation, the parliaments of the two countries reaffirmed their desire to promote maintaining and increasing the positive potential which has built up in our relations on the basis of the treaty of friendship, cooperation, and mutual assistance and the joint declaration "New Thinking in Action".

Ways to implement further cooperation between the supreme representative bodies of power in the interest of strengthening good-neighborliness between the USSR and Finland, in the building of a new Europe, and in the development of mutually advantageous partnership between states in the North Baltic region were mapped out.

EC Luxembourg Summit Examines Aid for USSR

PM0407135391 Moscow IZVESTIYA in Russian
2 Jul 91 Union Edition p 4

[Report by correspondent Yu. Kovalenko: "Europe's Hour. EC Ready to Give Us Assistance But Voicing Concern at 'Incidents' in Baltic Region"]

[Excerpts] Paris—The 12 EC countries are taking vigorous measures to end the conflict in Yugoslavia and to prevent a conflagration on its threshold fraught with destructive consequences for the entire old continent.

This is one of the main results of the meeting of the European Council held in Luxembourg with the participation of the heads of state and government of "the 12" and their foreign ministers. Despite the fact that the mission of the EC "troika" in Yugoslavia ended in only relative success, this time the community has demonstrated readiness to play an important role in international affairs and not just to sail in the wake of its U.S. ally, as was the case during the war in the Persian Gulf.

"This is Europe's hour, not America's," Luxembourg Foreign Minister J. Poos declared. "Europe must not allow war in Yugoslavia," Italian Premier G. Andreotti emphasized. "The resolution of this crisis cannot be left to the United States," H. Kohl said in his turn. The community has assumed the functions of an intermediary and can, if necessary, resort to economic sanctions.

In addition, the EC intends to formulate a common doctrine in case new hotbeds of conflict arise in Europe, for people in Western capitals do not rule out the possibility that the crisis in Yugoslavia could be the precursor of analogous events in the Soviet Union. [Passage omitted]

A whole series of important decisions adopted by the EC concern our country and are of special significance on the threshold of the London meeting of "the Seven." Thus, "the 12" supported the Soviet Union's candidacy as a member of the IMF and the World Bank. They also declared that they "fully support the efforts of the president and government of the USSR" but noted the need for "an extensive program to improve and modernize the Soviet economy."

The EC confirmed its readiness to continue giving the USSR the economic aid begun in December 1990, but to continue it within the framework of "joint international actions." Proceeding from this, the community will allocate subsidies for us, which total 2.8 billion francs in 1991.

"The 12" demanded an increase in the credits which Moscow can use through the European Bank for Reconstruction and Development (so far they have been fixed at just 6 percent of its capital). In addition, the EC intends to sign the European Energy Charter before the end of this year, enabling Western companies to prospect for and extract oil in the Soviet Union in exchange for deliveries of advanced technology.

At first sight, there are no political prior conditions attached to this aid. And yet.... The EC heads of state and government demanded that the USSR put an end to the "repeated acts of intimidation and violence" in respect of the Baltic republics. In the final document "the 12" express "serious concern" at the latest incident connected with the seizure of the central telephone station in Vilnius by special purpose militia detachment members. They urged the USSR to begin talks with the Balts to achieve a settlement meeting their legitimate interests.

Another initiative advanced in Luxembourg by H. Kohl and approved there has a direct bearing on us. He proposed to his partners that they elaborate a unified policy by the end of 1993 in the sphere of immigration and the granting of political asylum with due regard for the fact that the law on emigration comes into force in the Soviet Union as of 1 January 1993.

Another proposal by H. Kohl to set up a new organization to fight crime and the drugs trade—Europol—also found support.

Latin America & Caribbean

Mexican President Pays Visit to USSR

Issues to be Discussed

OW0307043991 Moscow INTERFAX in English 1600 GMT 2 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] On the eve of an official visit (beginning July 3) to the USSR by President Carlos Salinas de Gortari of Mexico, DP's [Diplomatic Panorama's] reporter has been told at the USSR Foreign Ministry's Latin America Department that the Soviet Union is very much interested in the experience of creating integrated economic systems in any part of the world, including in North America where the U.S., Canada and Mexico are discussing opportunities for it now.

Moscow would like to learn more about integration processes in the Western hemisphere, viewing it as instrumental in promoting its own relations with Mexico and other regional countries. However, the new economic community will first and foremost rely on the already existing structures which the USSR may have difficulty in finding access to.

The Foreign Ministry is sorry that an attempt at Soviet Mexican cooperation in space exploration (namely, a project codenamed Solidarity, envisaging the launching of two Mexican satellites with the help of the Soviet booster rocket Proton) was disrupted by the United States which bloked the negotiations on the project by claiming that the Mexican satellites contained U.S.-made components. Soviet diplomats do not rule out that President Carlos Salinas may bring up this question during his scheduled talks with President Gorbachev.

Diplomat Previews Visit

LD0207213791 Moscow TASS in English 1937 GMT 2 Jul 91

[By diplomatic correspondent Yuriy Rublevskiy]

[Text] Moscow July 2 TASS—A Soviet Foreign Ministry official today said he is sure that the results of Mexican

President Carlos Salinas de Gortari's visit to Moscow, beginning on Wednesday, will be positive and go beyond bilateral relations.

Head of the Soviet Foreign Ministry's Latin American Directorate Aleksandr Zhuravlev told TASS that the Soviet-Mexican summit will allow to specify the sides' analysis of the situation in the world and outline ways for deepening interaction between the two countries.

Zhuravlev noted that the Soviet and Mexican presidents are expected to discuss international problems and processes in the two countries. The countries' positions on most problems are close or even coincide.

Renovation processes in the Soviet Union and Mexico are gaining force, and they aim to make fresh advances, first and foremost in the economic, scientific and technical spheres, Zhuravlev said.

Soviet-Mexican relations, based on mutual respect, are friendly and constructive. Over the past years, political dialogue on retaining peace, eliminating mass destruction weapons, including nuclear and chemical weapons, and settling regional conflicts by political means has deepened, Zhuravlev said.

The two countries' interest in improving the international climate makes the basis for resolving international problems and developing bilateral ties, he said.

At the same time, Zhuravlev said the two countries' economic and trade contacts are not developing sufficiently and are lagging behind political cooperation. Last year, bilateral trade amounted to some 30 million roubles, which does not correspond to the two countries' potential.

The Soviet side believes that the Mexican president's visit will manifest the beginning of a new era in Soviet-Mexican relations, promote closer interaction in international affairs and make trade and economic cooperation more efficient and diversified in the interests of the Soviet and Mexican peoples, Zhuravlev said.

Salinas Arrives

LD0307205691 Moscow TASS in English 2046 GMT 3 Jul 91

[Text] Moscow July 3 TASS—President Carlos Salinas de Gortari of Mexico arrived in the Soviet Union today on the invitation of President Mikhail Gorbachev.

At Moscow's Sheremetyevo airport, Soviet officials, including Vice-President Gennadiy Yanayev, met the Mexican president.

The Mexican and Soviet state flags were hoisted at the airport. A guard of honour welcomed the president. The two countries' state hymns were played.

From the airport, the president left for the city, escorted by motorcyclists.

The official welcome ceremony was held at the Great Kremlin Palace, where President Gorbachev greeted the Mexican president. Later, the two presidents had a brief meeting.

Holds Kremlin Talks

LD0407094191 Moscow TASS in English 0917 GMT 4 Jul 91

[By correspondents Aleksandr Krolikov and Ivan Novikov]

[Text] Moscow July 4 TASS—Soviet President Mikhail Gorbachev and Mexican President Carlos Salinas de Gortari had a conversation in the Kremlin this morning. The Mexican guest arrived in Moscow for an official visit on Wednesday at the invitation of the Soviet leader.

First the presidents had a tete-a-tete conversation, then Soviet-Mexican talks with a greater number of participants began. The sides are expected to discuss a wide range of international problems and issues dealing with bilateral cooperation. Soviet-Mexican joint documents will be signed today.

Carlos Salinas de Gortari laid a wreath at the tomb of the unknown soldier at the Kremlin Wall.

Mexican Daily Interviews Gorbachev

PA0307171591 Madrid EFE in Spanish 2335 GMT 2 Jul 91

[Text] Mexico City, 2 Jul (EFE)—Soviet President Mikhail Gorbachev has expressed his country's willingness to help the Central American countries in armed conflict find peace.

During an interview published by the Mexican newspaper EXCELSIOR today, Gorbachev applauded the detente process in Central America and said: "We have observed with satisfaction that the Salvadoran Government and insurgents have reached agreements and that there are talks in progress between the conflicting sides in Guatemala. Along with Mexico and other states, the Soviet Union is willing to contribute from now on to a definitive settlement of the disagreements in this area, which is important for the world community."

Mainly during the past decade, Central America has been affected by civil wars that resulted in hundreds of thousands of deaths and economic losses in the millions.

Delegates of the Guatemalan and Salvadoran Governments met two weeks ago with guerrilla leaders from the two countries in Mexico. Nevertheless, no specific accords for peace were reached.

Gorbachev also said that Mexico is one of the leading Latin American countries, the sails of which "are swollen by 21st century winds."

The Soviet leader told the newspaper: "The transformations that the Mexican Government is making reflect the spirit of our time and deserve to be seriously studied with interest."

Regarding the Soviet Union's outlook on Latin American problems, Gorbachev said: "Our people are observing with interest, solidarity, and sympathy Latin America's democratic processes and economic progress. The Soviet Union regards Latin America's stronger role in world affairs as genuine and very desirable. Our foreign policy takes this for granted."

He also said that although economic relations between the Soviet Union and other countries of the American Continent have evolved slowly, he is certain that "great opportunities will appear here as the Soviet economy is gradually transformed based on a free market and the country overcomes its crisis."

Regarding Cuba, he said that the tension prevailing on the island is an anachronism of the cold war. He stated: "We favor the normalization of Cuban-U.S. relations and Cuba's full participation in Latin American mechanisms for political and economic cooperation."

Agreements Signed

LD0407170891 Moscow Radio Moscow World Service in English 1500 GMT 4 Jul 91

[Text] Top-level Soviet-Mexican talks were held in the Kremlin today. Soviet President Mikhail Gorbachev and Mexican President Carlos Salinas de Gortari discussed the changes under way in the world today, the role of Europe and Latin America in these changes, the place of the USSR and Mexico in them, and Soviet-Mexican relations.

The sides revealed similar positions on major bilateral, regional, and global problems.

Intergovernmental agreements were signed at the end of the talks for cooperation in the exploration of space in peaceful purposes, in combating drug addiction. A separate agreement was signed on scientific and technological cooperation in protecting population and minimizing the effects of natural calamities.

Gorbachev, Salinas on Talks

LD0407205991 Moscow Central Television First Program Network in Russian 1800 GMT 4 Jul 91

[Video interview with USSR President Mikhail Sergeyevich Gorbachev and Mexican President Carlos Salinas de Gortari by unidentified correspondent on 4 July in Kremlin, following signing of intergovernmental agreements; Salinas speaks in Spanish with superimposed Russian translation; from the "Vremya" newscast—recorded]

[Text] [Gorbachev] The main theme of our conversations covered those problems which are today the main points of international relations. These are the problems of the construction of, I would say, a new economic and political order on the basis of our achievements in recent years, within the framework of implementing the new thinking. From this point of view the president and I completely understand that now is a very responsible moment. It is necessary that everything which has begun is not allowed to slip, to be carried away in the wind, but is preserved and increased.

The second theme: We exchanged information on how perestroyka is proceeding in the Soviet Union and in Mexico. The president correctly said that all countries have their own perestroyka. Yes, we each have our own problems, our own choice, our own points of reference, but there are very many similarities. The president showed great interest in our affairs of today within the framework of perestroyka, and we are in the decisive phase of precisely when questions are being decided on what kind of authority there will be in this country, what will property relations be like in this country, what will the federation be like. I gave him this information with complete frankness, and I am satisfied with the exchange of opinions.

I was interested to find out, to be acquainted with the experience which Mexico has as concerns privatization, as concerns solving financial problems, and its entrance onto the new North American market. This on the whole is of great interest for us as well.

Probably the last theme—not in importance but simply in order—is the problem of bilateral relations. We consider that our political dialogue has great traditions, it has always been noted for its openness and trust, and there is already a great tradition here. But as regards economic ties and cooperation, here it is necessary to raise what we have achieved at the political level. And so we have recognized on both sides the necessity of this.

Many ministers and business people who know their business have come with the president. This allows a good exchange of opinions to be held here and spheres of mutual interests and possible cooperation to be revealed. They are already appearing. I hope that there will be advancement of Soviet-Mexican relations in this direction as well.

We have signed several documents here. But your president says that the most interesting documents could be signed if there is a return visit to Mexico by the Soviet president. So I have an invitation, confirmed once again. I hope this visit will take place. Therefore, I consider that the president of Mexico's visit a success, and we will prepare for the next visit.

[Salinas] The talks took place in an open and cordial atmosphere. Such a dialogue is very important for Mexico. What is happening now in the Soviet Union has great international significance. The success of perestroyka will have a great effect on the development of political, military, economic, and financial relations in the world. For this reason it is very important for us to know how these relations will form, how trade and economic exchanges will develop, and also links between people which help them to know each other better. [Video shows Gorbachev and Salinas surrounded by journalists]

Gorbachev Hosts Dinner

LD0407183291 Moscow All-Union Radio Mayak Network in Russian 1800 GMT 4 Jul 91

[Excerpts] In the Kremlin today USSR President Mikhail Sergeyevich Gorbachev held talks with Carlos Salinas de Gortari, the president of Mexico. [passage omitted]

In the name of USSR President Mikhail Sergeyevich Gorbachev, a dinner in honor of Carlos Salinas de Gortari, president of the United States of Mexico, was held in the Great Kremlin Palace.

On the Soviet side at the dinner were comrades Gorbachev, Lukyanov and other official personages while on the Mexican side were officials accompanying the Mexican president on his trip.

At the dinner, the presidents of the USSR and Mexico made speeches. The dinner was held in a friendly atmosphere.

Gorbachev on 'Normalization' of U.S.-Cuban Ties

PA0307170991 Havana Radio Havana Cuba in Spanish 1403 GMT 3 Jul 91

[Text] In Moscow, USSR President Mikhail Gorbachev has called for the normalization of U.S.-Cuban relations and the full integration of Cuba into Latin America. The top Soviet leader said that tension with regard to the Caribbean island is anachronistic and dates back to the times of the cold war. He emphasized that his country appreciates its relations with Cuba established 30 years ago.

In an interview granted to the Mexican daily EXCELSIOR on the occasion of his forthcoming visit to that Latin American country, Gorbachev said that the USSR welcomes and understands the Cuban leaders' answers to the challenges of these times, their assessment of the changes that are taking place, and the role that corresponds to Cuba.

Political & Social

Shevardnadze CPSU Resignation Letter Published

OW0507014591 Moscow INTERFAX in English 1000 GMT 4 Jul 91

[Transmitted by KYODO]

[Text] On Thursday morning, President of the Soviet Foreign Political Association, Eduard Shevardnadze, forwarded to IF's [INTERFAX] diplomatic correspondent Petr Vassilyev the full text of his letter to the Central Supervising Commission (CSC) of the CPSU whereby he announced his withdrawal from the Communist Party. According to Mr. Shevardnadze, this move is a direct result of the CSC resolution to have some of his public statements "analysed by party investigators", for which purpose he was summoned before the Commission. The letter reads:

"My deep conviction is that my statements of the need to set up a party that would perform on a par with the CPSU give no legal or moral grounds for actions of this kind.

"I also believe that the right of a party member to state and defend his ideas and views in public can be subject to no bans. This right was returned to us by perestroyka, a process known to have been launched by the party.

"I had every reason to think that comrades in the top party leadership who claim to have distanced themselves from dissent- suppressing practices that have led the party into its present state and given rise to repressions, persecutions and a profound crisis of popular trust in the CPSU, would understand the motives I was guided by while making those public statements. Instead, quite in the spirit of the Inquisition, they ruled to launch an investigation pursuing questionable goals and based on an unintelligible procedure.

"Under no circumstances will I agree to be brought as a defendant before this 'kangaroo court'; if I did, I would against my own will and convictions reaffirm the legality and lawfulness of the CPSU leadership's return to repressions against dissidents.

"The resolution you adopted convincingly proves the above considerations as right; it leaves me no choice other than stating my unwillingness to have anything to do with this kind of practices.

"This letter should be regarded as my formal application for withdrawal from the CPSU.

"This is a difficult decision, but one that I find necessary—although I am fully aware of its likely consequences. Moreover, I know of preparations for a smear campaign to be launched against me and like-minded people on the basis of the rich experience of the past and with reliance on the long-practised methods. This information is extra evidence that my decision is correct.

"I consider myself free to publicly explain the motives of my behavior."

Interviewed by NEW TIMES

LD0507135591 Moscow TASS in English 1343 GMT 5 Jul 91

[Text] Moscow July 5 TASS—The spiritual, political, and economic freedom of the individual, a parliamentary republic, radical transformation of the economic mode, and the maintenance of the historical set-up of the Soviet state as a union of free and sovereign peoples, the condemnation and rejection of national extremism, chauvinism and racism are, in the opinion of Eduard Shevardnadze, the main objectives of the coalition of democratic movements, set up in Moscow recently.

In an interview, published by the Soviet NEW TIMES weekly today, the former Soviet minister of foreign affairs, who is one of the founders of the coalition, points out that the democracy coalition will be in "constructive opposition" to the present government and uphold its point of view by moulding the public opinion by parliamentary methods.

Shevardnadze emphasised that all citizens sharing the coalition's ideals and principles are invited to join it.

Speaking about the structure of the emerging coalition, he said that at the initial stage an organising committee will be set up in Moscow and similar organisations will be formed in districts, cities and republics where it will get support.

On Need for 'Constructive Opposition'

LD0407141991 Berlin ADN in German 1317 GMT 4 Jul 91

[Text] Moscow (ADN)—A democratic state based on the rule of law can come into being in the USSR only if a serious constructive opposition is created. Former Foreign Minister Eduard Shevardnadze stated this opinion in the most recent edition of the weekly magazine NEW TIMES, which was prereleased to ADN in Moscow. Hitherto his viewpoint has not met with support "because everyone believed that the CPSU would be transformed and embody democracy and democratism itself." But nothing has come of this. Well-known personalities are therefore calling on the public to found a movement for democratic reform for the time being. Similar establishments are to be set up throughout the country alongside the central organization office in Moscow. A decision will then be made to see whether the movement is to constitute itself into a party at a constituent conference in September.

Now they are thinking of forming a mass movement open to the widest circles, Shevardnadze stated. He counts representatives from Democratic Russia and republicans in this as well as former and current members of the CPSU. Shevardnadze stated that no one should insist that the people coming to us have to leave the CPSU beforehand. The possibility of existing parties within the movement wishing to retain a certain amount of autonomy can not be ruled out. This can also apply to CPSU members who want to cooperate but who do not yet wish to leave the CPSU. In the case of a party being founded, a way also has to be found for them to be included.

Shevardnadze said that a new party which fights for power through the parliament is parliamentary. "Elections are the most important thing for us." People are tired of programs and stategies; they want to see action. The authority of the party must be based on how it tackles specific issues in real conditions. Young people above all have to be won over as the main support and driving force of democratization. He can only envisage a leadership based on shared responsibility, Shevardnadze said.

The former foreign minister reaffirmed what he said in his resignation statement in December to the effect that the country is threatened by the approach of dictatorship and the return of totalitarianism. The conservative and reactionary forces are well organized. They have structures and real power, including military power. Following the victory of democratic forces in the Russian elections, he fears a further unification of reactionary forces and an intensification of the struggle. "Our opponents are not sleeping," Shevardnadze said. Their unification should have been on the agenda as long ago as December.

Interviewed on Leaving CPSU

PM0507102991 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Jul 91 p 1

[Report by correspondent I. Kadulin: "Evening Telephone Call to E. Shevardnadze"]

[Text] It has become known to us that on 3 July Eduard Shevardnadze, former USSR foreign minister and now president of the Foreign Policy Association, presented the USSR Foreign Ministry party committee, where he was registered, with a letter announcing that he has sent the Central Control Commission a written statement of his withdrawal from the CPSU.

Before his trip to Leningrad, Eduard Shevardnadze gave a brief interview to our correspondent by telephone:

"I made a difficult, very hard decision. My whole life has been linked with the party. Hence the magnitude of the disappointments which compelled me to take this step. I could not act otherwise, for I have not only stated the need to create a party which is an alternative to the CPSU, but I have resolved to become a member of that party.

"I do not intend to make political capital out of my withdrawal from the CPSU. But I believe that the 'Democratic Reforms Movement,' of which I was an initiator, is a constructive movement, because it sets as its supreme goal the unification of people who hold dear the ideals of democracy.

"I do not urge anyone to leave the CPSU but I hope for mass entries to the ranks of the new movement. I hope that this movement will meet with support from people, especially young people. Without that there is no point in beginning to form new structures. To live in a free, democratic society we must build it together."

CPSU Says Letter Not Received

LD0407135591 Moscow TASS in English 1334 GMT 4 Jul 91

[By TASS correspondent Vasiliy Titov]

[Text] Moscow July 4 TASS—Assistant to Eduard Shevardnadze Sergey Tarasenko has confirmed that on Wednesday [3 July] afternoon the former Soviet foreign minister sent an application to the Central Control Commission of the Soviet Communist Party, informing it of his withdrawal from the party.

In a telephone conversation with TASS Tarasenko refused to comment on this fact and said that the reasons for Shevardnadze's withdrawal were set forth in detail in his statement, submitted to the INTERFAX news agency for publication. According to Tarasenko, Shevardnadze leaves for Leningrad on Friday.

A spokesman for the CPSU Central Control Commission said, however, that they had not received any such letter from Shevardnadze and knew nothing about the letter being sent.

At the same time, Valeriy Lipnyakov, secretary of the party organisation of the Soviet Foreign Ministry, of which Shevardnadze was a member, said that the ministry's party committee had received a personal letter from the former minister. Shevardnadze "warmly thanked the Foreign Ministry's collective of communists for fruitful joint work" and informed them that an application to the CPSU Central Control Commission about his withdrawal from the party had been sent.

Interparty 'Democratic Moscow' Forum Founded

LD0407072691 Moscow TASS International Service in Russian 1835 GMT 3 Jul 91

[By TASS correspondent Igor Agabekov]

[Text] Moscow, 3 Jul (TASS)—A new public organization, the Moscow interparty forum "Democratic Moscow" [Demokraticheskaya Moskva], was founded here today. According to its founders, the organization's aims are "to build a civilian society, a market economy, and a democratic law-governed state."

Forming part of the organization are the Democratic Party of Russia, the Constitutional Democratic Party, the Republican Party of the Russian Federation, the

Russian Christian Democratic Movement, and the Social Democratic Party of the Russian Federation.

At the meeting, which was held in the capital, those attending the forum adopted a declaration saying, in particular, that "in the conditions of the transition from totalitarianism to democracy, the Moscow interparty forum "Democratic Moscow" considers it essential to combine unity of action by all democratic forces with the retention of pluralism and the development of a real multiparty system."

Participants in the meeting discussed the new organization's constitution, which is to be adopted at the Moscow constituent conference of the "Democratic Russia" movement, scheduled for July this year. They also stressed that the "Democratic Moscow" forum was open to other parties of a democratic orientation and to the closest cooperation with non-party democratic organizations.

Volskiy Interviewed on Democratic Movement

LD0307223291 Moscow Central Television First Program Network in Russian 1842 GMT 3 Jul 91

["Topical Interview" with Arkadiy Volskiy, president of the Scientific and Industrial Union, by political observer Yuliy Semenov—live or recorded]

[Text] [Semenov] Good evening. We are with Arkadiy Ivanovich Volskiy, president of the Scientific and Industrial Union, who is one of those who have appealed to the public to set up a Movement for Democratic Reforms. Arkadiy Ivanovich, if I may, I should like to begin with this question: Why have you and the other authors of the statement chosen this precise moment to put forward this initiative? There is already one version which says that it is connected with the president's forthcoming meeting with the leaders of the G-7 countries in London. Another claims that it is one result of the election of the Russian president. In fact, there are various versions. What is the truth?

[Volskiy] Society today is polarized. If you follow the stages of that polarization closely, I would say that it is more polarized even than, say, a year ago. Corresponding forces have formed, on both right and left, which accuse each other of committing all the deadly sins, and are opposed to each other. To take the right wing, say, of the CPSU, they level accusations at the reformist wing of the CPSU, while the democrats blame all the upheavals in our destiny, our country's destiny, on the Communist Party. Let me tell you that for me, for example, two factors provided a great incentive to sign that appeal. The first factor was the formation of a grouping, if we may call it that, in the Supreme Soviet, called Accord [Soglasiye].

[Semenov] A group of deputies.

[Volskiy] The accord group of deputies unites virtually all the groups of deputies in the Supreme Soviet. There are more than 10 of them. Even though there were great contradictions among them, and even within each group, they still found a common platform which enabled them to reach accord—admittedly, after long negotiations, long discussions and so on. I was also impelled to sign the appeal by the stance of our right-wing movement, the fundamentalist movement which calls itself the communist initiative movement. Like many people, I was simply frightened. Well, I was not exactly frightened, but I can not agree with what they stated. Take a look at what they are appealing for. I am taking their documents, so to speak: It is necessary to expel M.S. Gorbachev's antipopular group from the party. The development of market relations will only cause the country new misfortune. Perestroyka was a mistake from the very beginning. And so on. I am incapable of agreeing with such views, on principle.

[Semenov] So, you have proclaimed the new movement. At the same time, though, yesterday's news conference also dealt with the prospect of setting up a party, and the foundation of a party was just what many people were expecting. So, is it a movement or a party? What is the difference, and what are the prospects?

[Volskiy] As far as my point of view is concerned, it should be a movement, so that people representing different currents and with different convictions can join it, for the sake of achieving accord, consolidation, and so on. No sooner had we published that statement, than an appeal followed signed by Nikolay Ilyich Travkin; Yusupov, the chairman of the Democratic Party of Tajikistan; Khadzhamukhamed, co-chairman of the Democratic Party fo Turkmenia; and so on. There was also Kovrigin, co-chairman of the Social-Liberal Grouping, the Russian Christian Movement, the Constitutional Democratic Party, the People's Liberty Party, and so on. They reacted to the statement at the news conference by saying that they, apparently, did not want to be involved in this accord—or, to use the fashionable word, consensus—and a new version has already appeared. Let me quote it: We all feel that a transformation of the CPSU is being prepared, and we must set up a part quickly, before we are wrapped up in some sort of new, democratic movement, but one which is harmless to the system.

You see, I could cite many others, but I do not want to frighten anyone here. Everyone can find a place in such a movement. I was worried that literally in the 24 hours that have passed since the conference there have already been many in the CPSU and in other parties which I cited and some others—the former Democratic Platform of the CPSU—they have already stated that they will not join this movement because it does not yet have a program or a charter or a founding conference. People are trying to inflame the situation.

Perhaps this is characteristic of the situation today in our country, but I do not think that this should happen. Sensible people should not do this.

[Semenov] Arkadiy Ivanovich, if in the long term this movement grows into a party many people will be obliged to make a choice. The members of the CPSU in particular who at present can combine membership of the party with participation in a movement will be obliged to choose between two parties. Have you made your own choice? I ask this question because I know you well and I remember how at the recent party Central Committee plenum you were among those members of the Central Committee who spoke out very energetically in support of General Secretary Gorbachev when the question of his possible resignation arose. There was even a collection of signatures in support of him. But now you are among the initiators of this movement. Does this mean that you have already made your choice?

[Volskiy] I began by saying that I had made my choice. I believe that the consolidation of forces is the only possible course especially now in the economic sphere, that is, not only in politics but also in the economic sphere. You are now speaking about the previous Central Committee plenum and you are right to ask the question. But it was not just a matter of defending Gorbachev. At that time 72 members of the Central Committee—by the way it was not I who collected the signatures, but people came up to the table themselves and signed, and there were very respected people among them—they were opposed to the coup which was in the making.

However, if we are speaking, if we, say, advocate a law-governed state, then by the same token we advocate a law-governed society. But in a law-governed society, if the president has been elected at a party congress he can not be overthrown at a plenum. By the way, I am simply citing this as an example. That is a violation of the very idea of a law-governed society. We came out against this. We came out against the violation of the laws. And I must say that I, speaking on behalf of all these comrades, spoke about just this. We spoke about the shortcomings that the president has, we spoke about the shortcomings that exist in the whole CPSU system and in party work including work with people and about the losses at the elections and so on. But we also said that it is wrong to go off into lawlessness again. We must act within the framework of a law-governed society. This was the main point. There were different interpretations subsequently, but unfortunately not by people who were at the plenum.

[Semenov] In our conversation you already touched on the problems of relations between the initiators of the movement and some social forces in the republics but all the same this social initiative has been displayed in the center. To what extent do you count on the support of any political forces in the republics?

[Volskiy] Well, as far as Russia is concerned, for example, then the fact is that the Republic's vice president and the republic's prime minister have signed; that is already one republic and a very large republic. As far as the other republics are concerned, at present members of this initiative group are going off there to discuss problems on the spot. I hope that many proposals for the consolidation of forces will be supported.

I read in PRAVDA today, that the CPSU program to a large extent presages the steps which are included here. Yesterday one of the correspondents at the news conference asked whether it was not the very same people who wrote both the new CPSU program and this statement.

[Semenov] Even though there were other statements that in the long-term the movement could become anticommunist.

[Volskiy] We will have something to say to you about this later, too. This is what I want to say: They are not the very same people. First, no one apart from the members of the commission has yet read the new version of the CPSU Program. That is the first thing. Therefore, such statements are untrue.

Second, I doubt that, say, Popov, Sobchak and others could write a CPSU Program. I have strong doubts about this.

[Semenov] Well, that was not serious.

[Volskiy] Therefore, I would not say that it was written by the same people. As regards the anticommunist drive I would like to immediately draw your attention to the statement, to one of its provisions, to the effect that people of any political outlook can be members of the movement, any, including the reformist wing in the CPSU. I think that therein lies the point of this nationwide movement. Concord is needed. If there is no concord, there will be very grave consequences in our country.

[Semenov] In your view, do you think that, say, directors of enterprises, technocrats, the scientific and technical intelligentsia will support you?

[Volskiy] Yes, I think that they will support us. Today the majority of the corps of directors clearly understands that there can be no return to the old economic system. I will reveal no secret by saying that the day before yesterday we sat up till 1.30 at night with a number of directors and had consultations about the movement. They will support us. Therefore, they will be guided by the common sense accumulated over the last few years.

[Semenov] Arkadiy Ivanovich, here is another question: Any initiative, especially such a serious political one as you have undertaken, always contains an element of risk, becomes overgrown with emotions, evaluations, sometimes accusations. Are you not afraid of this, as a person?

[Volskiy] Well, on the whole, you know, indeed, there have been a good deal of emotions directed at us over the last two days. But I think that some of them will subside. There are some emotions which are more spiteful but I am not afraid of them. I am not afraid of them if only because I was brought up in an orphanage, because I worked in a smelting shop at a car factory, because I spent two years under fire in Nagorno-Karabakh. Therefore, I am already not afraid. As regards those people who do not understand the movement and the need for consolidation today, they will understand eventually. Our country will not survive a second civil war.

[Semenov] Let us hope that today's conversation will promote this mutual understanding and contacts with those on whose support you count. Thank you.

[Volskiy] Thank you and thank you to the viewers.

Gorbachev Adviser on Democratic Reform Movement

LD0307212991 Moscow Russian Television Network in Russian 2000 GMT 3 Jul 91

[From the "Vesti" newscast]

[Text] In a commentary today the ASSOCIATED PRESS agency looks into the possibility of President Gorbachev joining the new Democratic Reform Movement. Such a step, the agency's Moscow correspondent considers, will raise Gorbachev's chances of being elected president at the direct elections which are to take place next year.

Today our correspondent touched on this theme with (Valentin Karasev), USSR presidential adviser, on links with state and public organizations:

[Begin recording] [Reporter] Certain western specialists consider that the Democratic Reform Movement will become a springboard for the nomination of Mikhail Sergeyevich Gorbachev as a candidate at the future presidential elections.

[Karasev] Well, welcome, as they say, to any forces which give support in this our young statehood. You know, Mikhail Sergeyevich on the whole does not need any springboards.

[Reporter] What is your attitude to this movement?

[Karasev] Well, if it really is a democratic movement or at least corresponds to the statement which was published in the press, then this is a normal movement which evidently must have a place. Otherwise there is the possibility that this is one of the illusions and it may be more terrible if it turns into a party akin to the former CPSU. There are such moods as well. But if the people endured with difficulty one party for 70 years, then I think that it is not expedient to support two such parties for the next 70 years.

[Reporter] How does the president evaluate the Democratic Reform Movement?

[Karasev] Well, in my opinion, the latest event shows that the president has never changed his line in this regard. I can state with complete responsibility that the policy which the president adheres to is democracy, and once again democracy. [end recording]

United Democratic Movement's Eclecticism Attacked

PM0307155691 Moscow SOVETSKAYA ROSSIYA in Russian 3 Jul 91 First Edition p 4

[Article by Afanasiy Barsukov attributed to NEZAVISIMAYA GAZETA, 2 July 1991: "The 'United Democrats' Want To Unite Everyone: The Nomenklatura Elite, Captains of Industry, Idols of Democratic Rallies. Will There Be Room for Everyone in the New 'Noah's Ark'?"]

[Text] Is that it? The many days of heightening expectations, coinciding with a stifling heat wave in Moscow, have finally been resolved with the "Declaration on the Formation of a United Democratic Party." It came into the world under cover of the deepest secrecy and with militia protection, in the sumptuous office of Gavriil Popov, and the NEZAVISIMAYA GAZETA correspondents who melted into the background at the court of Moscow City Soviet were only able to observe at close proximity the dispersal of the illustrious guests. Eduard Shevardnadze, Aleksandr Yakovlev, Arkadiy Volskiy, and Anatoliy Sobchak left Moscow City Soviet Saturday evening with more or less satisfied expressions on their faces.

And no wonder: Before it was even born, their offspring had managed to give rise to all kinds of anxieties, hopes, and expectations, and even managed to cause a panic.

While still in embryo, the new party, whose foundation stones were to be DPR [Democratic Party of Russia] cells, was given a whole range of possibilities—from the "new future CPSU" to the single, long-awaited superparty that would at last unite all the true lovers of democracy. The diversity of these suggestions can clearly be explained by the eclectic breadth of the founding fathers. Whereas Yakovlev and Shevardnadze could attract former and present moderate pillars of the nomenklatura, in alliance with Travkin's mass populist party they could "lure away" the maximum possible proportion of CPSU people (thereby completing what the "Democratic Platform" tried to do). On the other hand, the party of Sobchak and Popov would hardly be particularly attractive to Communists, although it could bring together under its banner a considerable company of those of the public who are "on the whole" democratically inclined. Which, in turn, is obviously none too compatible with the silent vanguard of unnoticed masters of life—the industrial big shots.

But at the very last moment, as the world was preparing to greet the newborn United Democratic Party, the baby suddenly changed sex, which came as a surprise even to some of the parents. Yesterday morning Nikolay Travkin, preparing to sign the aforementioned declaration, discovered a substitution: Instead of a little girl (the United Democratic Party), it was a boy (the Organizing Committee of the "Movement for Democratic Reforms") [the Russian word for "party" is feminine, while "committee" is masculine]. A movement that will at last give flesh to the age-old dream of Comrades

Yakovlev, Popov, and Shevardnadze to create a great universal package in which to wrap all entities that are even slightly democratic. Which, incidentally, allows people to maintain their innocence and also acquire capital, since it does not imply the need to say good-bye to the CPSU. The fact that this was not the least important reason for the substitution is indicated by the actions of Aleksandr Yakovlev, who, after first signing a protocol on intentions to create a party and sending to the press a statement of resignation from the CPSU, soon after not only withdrew it, but published an angry refutation.

PRAVDA on 'Democratic and Reformist' Movement

PM0407132791 Moscow PRAVDA in Russian 3 Jul 91 Second Edition p 3

[Report by Yu. Makhrin: "New Movement"]

[Text] The rumors doggedly flying around Moscow that a number of former top leaders were about to announce the creation of a new movement or party were confirmed on Sunday. That day in the Moscow Soviet building journalists were given the text of an appeal to the citizens of the USSR by an initiative group, announcing that the creation of a movement of "Democratic and Reformist Forces" had begun. The group comprises A. Volskiy, N. Petrakov, G. Popov, A. Rutskoy, A. Sobchak, I. Silayev, S. Shatalin, E. Shevardnadze, and A. Yakovlev.

Their appeal to their fellow citizens is couched in lofty, sometimes even emotional tones: "The choice is supremely limited. Either the country continues with radical transformations, liberates society, provides true freedom for man, and takes real steps toward well-being and prosperity. Or there will be a revolt by reaction blinded by hatred of freedom and progress... Passions are on the verge of erupting..."

After such an insistent and supremely emotional "brainstorming session" the initiative group concludes that only the movement of "Democratic and Reformist Forces" can "save all of us and the entire country." In the name of what are they urging all "civic-minded people of civic responsibility" people to unite? "Our movement," the appeal says, "aims to truly renew society in the interests of the people and a fitting, secure life for people." There then follows a lengthy, albeit extremely pretentious, summary of the movement's aims in the sphere of politics, economics, interethnic relations, and spiritual life. I read the document and caught myself thinking: The same aims—only more concretely—are clearly articulated in the third version of the new CPSU Program. The question involuntarily arises for A. Volskiy, CPSU Central Committee member, say: Why put your signature to an appeal that "absorbs" the aims and tasks of the renewing Communist Party ahead of the Central Committee plenum where this important document is to be examined? A CPSU that is renewing itself from the inside, not from the outside.

The initiative group of nine call for an organizational committee to be set up to prepare a constituent conference by mid-September 1991 to unite democratic parties and movements.

At yesterday's press conference at the Moscow Soviet (A. Yakovlev, A. Rutskoy, and I. Silayev were not present) six (of the nine) "interpreted" the movement's aims in greater detail than the appeal. First journalists asked: "How did Gorbachev react to the news of the new movement's being set up?" A. Volskiy read out a stenographic record of presidential adviser V. Ignatenko's response to an identical question at a briefing:

"It is clear from the organizers' statement that the movement is not of a confrontational nature, on the contrary, it invites all factions, all movements, everyone who sincerely supports the ideals of perestroyka and the success of our cause in the country, to join it. If that is how we understand the organization of the democratic movement, then that is a positive element."

A. Volskiy and E. Shevardnadze noted that the aim of the movement's aim is not to oppose any party but to advocate reform and pragmatism, along with an increase in people's well-being. Members of any parties and movements that espouse commonsense positions can join the movement. Only A. Sobchak, as is his wont, used malicious anticommunist cliches. That is why the appeals for unification sound extremely strange. Who is to unite with whom—are CPSU members, including Central Committee members, to unite with anticommunists?

Yu. Luzhkov went up to the rostrum "toward the end" of the press conference and read out a statement issued by a group of politicians supporting the appeal made by the "nine" and stating readiness to create an organizational committee to prepare for a constituent conference.

Sobchak Cited on Plans for New Party

PM0507114891 Copenhagen BERLINGSKE TIDENDE in Danish 2 Jul 91 p 7

[Undated Leningrad interview with Leningrad Mayor Anatoliy Sobchak by IAN correspondent Igor Pavlov]

[Text] Leningrad—I succeeded in catching up with Anatoliy Sobchak at his summer house outside Leningrad immediately after his return home from Moscow where on Friday and Saturday [28 and 29 June] he had been preparing the declaration on the formation of a new party together with this fellow mayor from Moscow, Gavriil Popov.

The declaration has been signed by a wide circle of democratically minded politicians. BERLINGSKE TIDENDE has already mentioned Boris Yeltsin, Aleksandr Yakovlev, and Eduard Shevardnadze. Anatoliy added the names of three former advisers to Mikhail Gorbachev: Shatalin, Petrakov, and Volskiy.

They are calling for the fusion of the democratic movements in the republics to form a strong party which could become a counterweight to the CPSU and, with popular support, could implement the reforms currently blocked by dogmatic communist structures.

"In this declaration we announce that an organization committee has been formed and that we intend to hold a founding congress in the fall—and we call on all democratic forces to join us. We already have agreement with a number of prominent members of the CPSU who are ready to resign from the Communist Party along with their party organizations and join us."

The new movement could become a real competitor for the CPSU. It will not be weighed down by the sins of the past, it is supported by popular leaders, and it has as its objective the implementation of the economic recovery program which has been worked out by economist Grigoriy Yavlinskiy together with American counterparts. Such a party would undoubtedly attract to it many ordinary members of the CPSU.

This is of course giving rise to growing opposition in the CPSU leadership and in the party and state structures which are under this leadership. In this context Anatoliy Sobchak pointed to the speeches made on 17 June during a closed meeting of the Supreme Soviet by Defense Minister Yazov, Interior Minister Pugo, and KGB chief Kryuchkov. Their attacks were directed against Yavlinskiy's plan, not against a new democratic party, but Anatoliy Sobchak views these speeches as a dress rehearsal by the conservative forces, against whom Eduard Shevardnadze warned at the last meeting of the Congress of People's Deputies.

"This is an attempt to resist the democratic reforms, and both the formation of a new party and the implementation of Yavlinskiy's plan are part of these reforms," Sobchak stressed.

Yavlinskiy's plan has been discussed by the Russian president's supreme advisory council and has been rubber-stamped, since it coordinates the Soviet side's and the West's tasks and commitments in the various phases of the economic reforms. Unlike Prime Minister Pavlov's plan, Yavlinskiy's holds out a realistic prospect of the Soviet Union's transition to a market economy.

Anatoliy Sobchak considers the two plans to be irreconcilable. Mikhail Gorbachev's attempt to reconcile them—and he has stated that they complement each other—will produce the same end result as the attempt to reconcile Shatalin's and Yavlinskiy's plan (known as the 500-day plan) with Ryzhkov's plan. "This attempt to reconcile the irreconcilable," Sobchak said, "torpedoes the idea and the logic in Yavlinskiy's plan—that is, the clear division of power between the central government and the republics, particularly in the economic field."

According to the city's mayor, developments will move quickly in Leningrad. The idea of free economic zones fits Yavlinskiy's plan like a glove. "All the government ordinances relating to the zone have already been drafted, and now we are starting the concrete work on it," Sobchak assured me. He sees a free economic zone in Leningrad—and he also thinks that it could be of interest to Danish industry and commerce—as a litmus test for the implementation of the whole Yavlinskiy plan, because the very aim of this plan is to promote concrete programs in concrete regions and at concrete enterprises. In this way the West will get to deal with concrete people and not with anonymous state institutions.

CPSU Cooperation With Democrats Not Ruled Out

LD0507142791 Moscow TASS International Service in Russian 1348 GMT 5 Jul 91

[Text] Moscow, 5 Jul (TASS)—The press center of the CPSU Central Committee today published a statement, which says: The appeal by a group of political figures who are the initiators of the establishment of the "Democratic Reform Movement" has attracted public attention in the last few days.

Not all the points in the appeal are unambiguous. Nevertheless, the leadership of the CPSU Central Committee does not rule out the possibility of constructive cooperation by party members within the framework of the "Democratic Reform Movement," on condition that its proclaimed goals are confirmed in practice by its actions.

In itself, the emergence of this new public political association is nothing unusual under current conditions. At the same time, the lessons of recent years demonstrate that several public movements which came into the world to the strains of slogans about supporting perestroyka have subsequently betrayed the goals which they at first proclaimed. Communists are not unjustified in seeing some declarations by the initiators of the movement as an attempt at a kind of exercise, to sound out various currents in the CPSU and the stances of individual Communists. It is not hard to foresee that this could be followed by practical actions aimed at splitting our party. This naturally makes them rather wary.

Under these conditions, the CPSU Central Committee believes that party organizations and Communists should display deep understanding of the situation which is developing and of their responsibility for the preservation of party unity and its consolidation on the basis of the decisions of the 28th congress and the party-wide discussion of the new CPSU program, which will take place in the immediate future.

Politburo Urges No Delay on Union Treaty

LD0307154591 Moscow TASS International Service in Russian 1515 GMT 3 Jul 91

[Text] Moscow, 3 July (TASS)—The text of a statement by the CPSU Central Committee Politburo on the matter of the new Union treaty follows:

"The Politburo of the CPSU Central Committee regards the draft of the new Union treaty as the basis for overcoming the grave political and economic crisis in the country, and for achieving national and civic accord. The signing of the treaty expresses the will of the peoples to preserve and renew the USSR, stated in the referendum on 17 March 1991.

"At the same time, the Politburo of the Central Committee is seriously concerned by the fact that far from subdsiding, the political struggle around the new Union treaty is actually intensifying. Some see in this treaty the disfranchisement of the republics' autonomy [samostoyatelnost] and independence; others, on the contrary, link its signature with the collapse of the Union, and the death of the state.

"Feeling that delay in concluding the treaty will lead to the further destabilization of the situation and bring new burdens and deprivations for millions of Soviet people, the CPSU Central Committee Politburo calls on all party organizations and every communist to take an active position in this matter, and to shape broad public opinion in favor of the speedy signing of the treaty.

"A single multinational state, the friendship and cooperation of the peoples by way of renewing the Union federation—this is a reliable future for all citizens of the country."

Schedules Central Committee Plenum

LD0307152791 Moscow TASS International Service in Russian 1506 GMT 3 Jul 91

[Text] Moscow, 3 July (TASS)—According to information from the press center of the CPSU Central Committee a sitting of the Politburo of the CPSU Central Committee chaired by Mikhail Gorbachev, general secretary of the CPSU Central Committee, took place today.

A decision was adopted on convening a routine plenum of the CPSU Central Committee on 25 July. The plenum will examine the issue of a CPSU draft program and the tasks of party organizations in discussing it.

It was approved that Mikhail Gorbachev, general secretary of the CPSU Central Committee, will make the report at the plenum.

The Politburo of the Central Committee examined the issue of the CPSU's position in the working movement in the country. Mikolas Burokevicius, Stanislav Gurenko, Grigoriy Yeremey, Islam Karimov, Anatoliy Malofeyev, Yuriy Prokofyev, Alfred Rubiks, members of the Politburo of the CPSU Central Committee; Valentin Kuptsov, secretary of the CPSU Central Committee; and Vladimir Shcherbakov, USSR first deputy prime minister, took part in the discussion. Mikhail Gorbachev summed up the results of this discussion. Taking into account the exchange of views that had taken place, a decision was adopted which will be published in the party press.

The Politburo of the CPSU Central Committee adopted a statement on the issue of the new Union treaty.

Meeting Agenda Reviewed

OW0407052791 Moscow INTERFAX in English 1800 GMT 3 Jul 91

[Transmitted by KYODO]

[Text] The Political Bureau of the Communist Party's Central Committee expressed concern at its Wednesday meeting over a marked tendency to delay the signing of the Union treaty. A special statement has been issued to the effect, as the Deputy General Secretary Vladimir Ivashko has told our correspondent Vyacheslav Terekhov.

To the question whether the meeting discussed the question of the party's leadership, Vladimir Ivashko replied that rumours of that sort circulate before each new plenary session and said that the decisions of the April plenum were in force.

Neither the "Statement of the 9" nor setting up a democratic movement were under discussion: "This is a very complicated problem which requires preliminary consideration", explained the deputy general secretary.

Wednesday's agenda included two points: the party's draft programme and the date of the plenary session, and second, the labour movement. The plenum has been appointed for July 25 to debate the party's draft programme.

On the second point of the agenda, Ivashko explained that the CPSU is deeply studying the workers' movement and defining its own attitude towards it. He remarked that certain forces would like to use that movement in their own interests.

Ivashko said that "though the CPSU initially proclaimed itself a party of the working class, it has neglected the workers' movement for years."

Nazarbayev Cited on Union Treaty

PM0507082991 Moscow IZVESTIYA in Russian 5 Jul 91 Union Edition p 2

[Report by G. Alimov: "Nursultan Nazarbayev: New Relations Must Be Built"]

[Text] On 3 July Kazakh President Nursultan Nazarbayev addressed a news conference for Soviet and foreign journalists. One of the most prominent and influential politicians in the country, he touched on a wide range of questions of concern to the whole of society today.

Talking about the upcoming signing of the new Union Treaty, the Kazakhstan president rated positively the submitted draft of a document that is fundamental to our lives. The republic headed by him is prepared to sign the treaty. The Kazakh parliament has already decided to form an authoritative delegation, headed by the president. The reservations the republic has about the draft can easily be eliminated, in the Kazakh leader's opinion. Nazarbayev believes that the authoritative delegations of the republics which are components of the new federation should get together and sort out the outstanding issues once and for all.

As is known, the unresolved problems outstanding include that of the taxation system in the new federation. The Kazakh president is unequivocally in favor of a three-tier system, that is, for federal, republic, and local taxes. A single-tier system, in his opinion, would mean that it is no good creating a union state which would have to go around cap in hand. "What kind of state is it whose organs constantly have to be asking for money to perform their functions," he said. "Nowhere, in no other country is there a situation where there are no federal taxes." So on this point the Kazakh president does not share the position of Russia and the Ukraine, which have adopted decisions on a one-tier system of taxation.

The Kazakh president is convinced that even after the Union Treaty has been signed it will be necessary to strengthen economic links with the six republics that do not want to join the Union, although they occupy only two percent of the country's current territory and account for seven percent of the national income. Nazarbayev rerteated from his former tough stance on switching to trade with these republics on a hard currency basis. In his opinion, other forms of mutual relations must be sought.

Concerning the anticrisis program submitted by the USSR Cabinet of Ministers, Nazarbayev called it a "rather progressive, market" program. He believes that many of the positions set down in the "500 Days" program, particularly where the stabilization section is concerned, are foreordained in this program. What specifically is pleasing about the anticrisis program? For example, the following positions: On 12 July all enterprises transfer to republic jurisdiction, state orders are formed solely by the republics for everyone—for the Union as a whole and for the republics.

The Kazakh president welcomed M.S. Gorbachev's upcoming meeting with the "group of seven." He said that he was familiar with the program prepared by Grigoriy Yavlinskiy with the academics from Harvard. Nazarbayev let it be known that it was not a matter of indifference to the republics what program the Soviet leader took with him to London. It has been agreed that before Gorbachev's departure for London the republics' leaders intend to meet with the USSR president and discuss the final version of the program. By and large Nazarbayev supports the integration of the Soviet economy with the world econony and favors an open Soviet economy. But he is against our country's taking a begging bowl to the talks.

The Kazakh leader also rated positively the initiative by a group of well-known politicians on the creation of a "Democratic Reform Movement. "I am impresssed," Nazarbayev said, "by the fact that the program talks about humanitarian issues, about movement forward along the path of perestroyka"...

Republican Leaders Urge Early Signing of Treaty

LD0307174391 Moscow TASS International Service in Russian 1725 GMT 3 Jul 91

[Text] Moscow, 3 July (TASS)—The USSR president today met the leaders of nine republics. The parties to the meeting confirmed their commitment to the statement adopted at Novo-Ogarevo on 23 April and their willingness to continue their work aimed at stabilizing the situation in the country and combining the efforts of the republics to implement the anticrisis program.

The parties to the meeting were unanimously of the view that the earliest signing of the union treaty approved by the supreme soviets of the republics and the republics' assent to working in a cohesive fashion is in the interests of all peoples and provides a reliable guarantee for the continuation of reforms in the country.

USSR Prime Minister Valentin Pavlov took part in the meeting.

Mikhail Gorbachev discussed specific matters of concern to the Russian Soviet Federated Socialist Republic with Boris Yeltsin and Ivan Silayev.

Gorbachev Speaks at CPSU Program Discussion

PM0307133991 Moscow PRAVDA in Russian 3 Jul 91 Second Edition pp 1-2

[Unattributed report: "Answering Questions of Concern to Society. From the CPSU Program Commission Session"]

[Text] As has already been reported, a routine session of the commission set up by the 28th CPSU Congress to prepare the new party program was held 28 June under the chairmanship of M.S. Gorbachev, general secretary of the CPSU Central Committee. It examined the version of the draft prepared by the commission's working group.

Opening the commission session, M.S. Gorbachev said: We are examining the third version of the draft. Although a fourth has a already appeared, differing quite substantially both in the form in which the material is presented and in the style in which it is set out. This is natural, since comments are being made and the work is continuing.

Feelings are running high all around. Different program versions have appeared in various press organs and brochures. This reflects what is happening both in society, in our party, and in people's minds in general.

It is very important for our commission's work on the draft program to be conducted more intensively in order to enable us to publicize it in the very near future and thereby pave the way to a wide-ranging discussion of it and its submission to a party conference at which, we have agreed, the new program could be adopted and urgent questions in the party could be resolved.

I would ask comrades to make substantive remarks about the draft and to answer the question: What is preferable? An extensive, full-format [polnoformatnyy] program or a program updated [aktualizirovannyy] for the 1990s?

The fact is that the following argument is being advanced: Society is strongly expecting the party program to answer primarily the most topical and quite specific questions. If we go the usual, standard, generally accepted way and develop the document theoretically and politically, then it will naturally be bereft of specifics and details. After all, it is not a program statement or an action program, it is the party program. It should be long-term in nature and provide guidelines for at least two or three decades ahead. But society has no great inclination for this at the moment. It is concerned about the present and the immediate future—how we are going to get out of the crisis, how will events develop in the next few years? Where will that development lead? In what direction? What form will it take? What tasks and aims are being set today?

Many people believe that we need a document that would answer the question of the party's program actions and goals for the 1990s. And indeed, a great deal should be resolved during this period. That is why we need to exchange opinions on what the new program document should be like.

And, finally, the most important point—some might say the paramount point. The party can not be left any longer in the state in which it is now. Essentially we can already see that several trends have formed in the party. There are "genuine Marxists" here, they will demonstrate this. Sitting before you is the "leader of the bourgeois faction of the party" who has allegedly made it his task to "ruin" both the country and the party, and to "bury" the lot. The ease with which people are pigeonholed goes beyond any bounds of party, civic, or merely human ethics. Intellectual party debate is often replaced by unbridled emotion [raznuzdannost]. I must say that if this continues, if the party finds itself in this state, then it will lose all the political battles and all the elections which it will be facing in the very near future. It will lose everything if it engages in self-destruction—as has often happened in history. People will simply turn their backs on the party: What can it give society if it cannot put its own house in order? That is why I would bluntly say that the situation is critical and we need to act to rectify it.

I would raise another question in this connection. We are the Program Commission set up by the party congress, so we are an organ of the congress. Many comrades have said to me: We need no approval from any quarter—we are an organ of the congress, we have been given our instructions, and we should get cracking and publish the document without waiting for a Central Committee plenum.

I would say frankly: Why should we ignore a plenum of the party's Central Committee? Let the plenum examine the draft and say what it thinks. Admittedly, Comrades, people make the following argument: Let us publish the program, and the entire party—including the Central Committee plenum—can discuss it.

So from all standpoints, Comrades, our commission's work is becoming extraordinary. Nonetheless, we should not come up with a document which fails to answer the questions of acute concern to everyone.

I am not addressing the content of the draft at this point, although I do have things to say on that score. But I believe that at this moment in time it would not be entirely ethical for me to do so. We have a document submitted by the working group, and I propose moving to its discussion. I would like to hear meaningful, substantive assessments and proposals that go the heart of the matter. [Gorbachev ends]

Taking part in the discussion were: G.G. Gusev, member of the RSFSR [Russian Soviet Federated Socialist Republic] Communist Party Central Control Commission; Yu.N. Pakhomov, academician secretary of the Ukrainian SSR [Soviet Socialist Republic] Academy of Sciences Economics Department; A.N. Maltsev, first secretary of the Nizhniy Novgorod City Party Committee [gorkom]; V.A. Salamashkin, first secretary of Kazan Party Gorkom; S.N. Lavrentyev, Bashkir University party committee secretary; V.F. Yakovlev, chairman of the USSR Supreme Court of Arbitration; K.Z. Surbulis, director of the Lithuanian Communist Party Central Committee Sociopolitical Research Institute; A.V. Kryuchkov, senior scientific officer at the USSR MVD [Ministry of Internal Affairs] Scientific Research Institute; O. Azimov, driver at a Dushanbe taxi enterprise; Yu.A. Prokofyev, first secretary of Moscow Party Gorkom; N.I. Shlyaga, chief of the USSR Armed Forces Main Political Directorate [title as published]; Professor M.V. Popov of Leningrad State University; V.Yu. Zorin, Uzbek SSR Council of Ministers representative to the USSR Council of Ministers; I.V. Belskaya, tower crane operator at the "Turkmenstroymekhanizatsiya" Trust; Academician L.I. Abalkin, director of the USSR Academy of Sciences Economics Institute; A.N. Ilin, second secretary of the RSFSR Communist Party Central Committee; S.A. Vegera, first secretary of the Minskiy Ukrainian Communist Party Raykom [Rayon Party Committee] (Kiev); M.F. Nenashev, chairman of the

USSR State Committee for the Press; Professor A.A. Denisov, member of the USSR Supreme Soviet; A.V. Zolotov, candidate of economic sciences from Nizhniy Novgorod; Academician Ye.M. Primakov, member of the USSR Security Council; V.V. Kalashnikov, faculty chief at the V.I. Ulyanov (Lenin) Electronics Institute in Leningrad; A.S. Dzasokhov, secretary of the CPSU Central Committee; M.N. Kachanov, expert consultant to the Kaunas Lithuanian Communist Party Gorkom; A.K. Chernenko, rector of the Siberian Sociopolitical Institute; and V.A. Ivashko, deputy general secretary of the CPSU Central Committee.

We are publishing a condensed account of the discussion.

A Minimum Program Or A Strategy For The Future?

Just what should the party program be today? Can strategic aims and the CPSU's priority tasks in today's highly complex situation be combined in it? The session participants answered the questions in different ways. While noting the undoubted merits of the draft submitted for discussion, Yu.N. Pakhomov expressed the view that at the moment we do not need a comprehensive long-term program, but a concise and extremely specific document—an action program. We should not emphasize distant goals or tell the people yet again how we are going to live in the distant future. Moreover, the situation has not yet reached the point where we can interpret the current transitional period. It is well known that that if you are too close to something you can not see it properly.

I agree, A.N. Maltsev said, that the program does not need any fairy tales about the future. Main stress should be laid on a minimum program, a program for getting out of the crisis, and a description of the conditions—political, economic, and social—for so doing, and what the party can do to help.

Stressing the high level of responsibility of each of those working on the draft, G.G. Gusev noted: "...the future destiny of many honorable people will depend on the kind of program that is proposed to the people and our party. The people can live without the party, but the party will perish without the people. Any party's program is drawn up for the people, who will or will not vote at elections for its members and supporters, rather than for a narrow circle of intellectuals."

A number of other commission members spoke in favor of an action program.

Here are some arguments in favor of the other view, ultimately adopted by the majority. L.I. Abalkin: "In my view, the program should include the proclamation of the party's goals, its political line, and its methods of activity. It is sometimes said that these questions are now secondary and are not of concern to people. But, from what I can see, despite all the problems involved with everyday living, prices, and the market, all of our people have buried somewhere deep in their consciousness an indestructible concept of and alarm about the future, their prospects, and where we are headed. And, although everyday life and its concerns to some extent dull these issues, they are still ineradicably there and have to be answered. As for practical, applied problems, I think that there are other political documents to cover this."

A.N. Ilin: "It seems to me that we need to act as follows. The CPSU Program should be a strategic program, without interpreting every last point. Otherwise we will be in conflict with the Statutes, which talk about the autonomy of republic party organizations. We should adopt the CPSU Program at a congress or conference, we could elaborate minimum programs within the framework of republic organizations, and in those programs combine a strategic course with the specifics of our tasks."

V.V. Kalashnikov: "The party congress instructed us to elaborate a CPSU Program, not an action program. This means that we need a document of a long-term, strategic nature. However, it should be for the nineties rather than the very long term—the 21st century."

Proposals were also expressed that the main program should be supplemented with a program for the CPSU's parliamentary activity.

The session participants noted that the work on the draft had taken account of many comments from Program Commission members. The version submitted is progressive and reflects the modern view of the problems of social development and trends in world civilization. Avenues for further work on the new program were also outlined during the discussion.

S.A. Vegera noted that the starting point for any analysis should be a description of the current period and the present-day state of society and the state's structure. We now have a totally different society, and its problems should be profoundly reflected in the program... We should do everything to ensure that it is developed in favor of people.

In S.N. Lavrentyev's opinion, many of the draft programs elaborated by the action groups and movements exploit the inertia of social awareness. But the new ideas contained in our draft need to be thought about and, as the discussion in certain party organizations has shown, they are not always immediately understood by Communists. We need to take these circumstances into account when finalizing and propagandizing the draft. We need to turn to the experience and lessons of the precongress discussion.

V.A. Salamashkin turned his attention to this point. He proposed that there be no delay in publishing the draft program and that things be arranged in such a way as to ensure that not a single proposal expressed by Communists during the partywide discussion goes unattended by the Program Commission. The elective aktiv could be involved in order to ensure that everyone who sends in comments has them discussed, heeded, and their controversial points explained.

Road to Renewing the Party

Whatever the speakers talked about—even exclusively theoretical questions—they invariably turned to analyzing the party's present state and its prospects.

The current situation within the CPSU, Yu.N. Pakhomov said, whereby a host of heterogeneous tendencies are making themselves felt, is alarming. Essentially we have to surmount the presence of many parties within the party itself, otherwise it will be unable to operate in the state that it is in now.

This also emerged, incidentally, at the sitting itself when a representative of the Initiative Movement, Professor M.V. Popov from Leningrad, said that this movement alone has the right to describe itself as Communist, perestroyka is a road to nowhere, and so on. Needless to say, the speaker had a negative attitude to the draft under discussion. V.V. Kalashnikov, member of the Leningrad Obkom [oblast party committee] bureau, took issue with him, explaining why most Communists from the city on the Neva do not back the "Initiative men": Their sharply negative attitude toward the transition to market relations in the economy conflicts with both the development of the situation within the country and with the decisions adopted by the 28th CPSU Congress, while its rigid class approach causes the intelligentsia to shy away from the party.

A.K. Chernenko, O. Azimov, and others talked about how Communists see a renewed party. Members of the Program Commission noted that the renewal of the CPSU must be regarded as a process in need of constant attention from party committees. Primary party organizations which have gotten confused today and are slow to restructure their work should also play their role in this process. However, the members of the Program Commission saw different ways of escaping from the crisis. I.V. Belskaya thinks, for instance, that the "principles of democratic centralism" should be creatively developed and applied and attempts made to ensure the party's vanguard role instead of the excessive criticism of the party apparatus and the party leadership contained in the draft. While there should be no room for such concepts as the "sovereignty of the individual Communist" in the program at all.

Yu.A. Prokofyev voiced another viewpoint. We in the Moscow city party organization are currently discussing what the party should be like, he said. One option is a party rigidly oriented, so to speak, toward discipline, cohesion in the ranks, and support for a single, fairly definite ideology that eschews deviations. That is a possible option. But that way we will lose the people's support and have to travel a long road to win this support back. We think that the concept of the party as a movement, a kind of mass party that will enable it to expand its influence among the people, successfully take part in elections, and win deputies' mandates is more accessible.

The program must clearly determine, the participants in the debate stressed, whose interests the CPSU expresses. The answer, it seems, is simple: working people's interests. What is to happen to the unemployed who are already emerging with the transition to the market? Who will protect the pensioners and young students, and what forms will this protection take? Obviously only a party-wide debate or—more precisely—life itself will provide an exhaustive answer to these questions. And to the following quite unusual, but also topical, question: Can the CPSU, for instance, support entrepreneurs, cooperative workers, and people engaged in individual labor activity if they expand production of goods and services in the interests of society? Does this not sully its principles for which some supporters of "class purity" are so concerned?

Most of the members of the Program Commission oppose any artificial restrictions or sectarian approaches. On the contrary, it is necessary to strive to win over everyone who values the people's interests, who, even without sharing the CPSU's program aims, is prepared to cooperate with it in resolving the specific problems involved in radically transforming society and improving people's lives.

The draft must above all be assessed, L.I. Abalkin stressed, on the extent to which it accords with contemporary scientific ideas and reflects what is happening in the world, in our society, in human civilization at the end of the 20th century, on the eve of the 21st century. Irrespective of whether they differ with the ideas of 50 or 100 years ago.

It is a question of how to help people, help Communists to overcome previous superstitions and myths. This is a painful business, it is a stressful situation where a person has to reappraise his previous ideas and renounce things that have come into conflict with the logic of social change and with the conclusions drawn by present-day science as to the ways of development.

A political party's program must take into consideration objective tendencies in social progress. A political party or public movement can either help realize these progressive tendencies and raise society to a higher level of development—then it too has a future—or try to stand in the way of these objective tendencies, prevent their being implemented, and thus inevitably end up on the sidelines of history.

To go on. We are now susceptible to populist ideology. We are marching under the slogan "Power of the Party Masses." A very fine slogan, but we should ponder what it means. Some people reckon that the whole party should create a new program and a new theory—very fine words are heard about this at all rallies. But when our party emerged it was stated very clearly that scientific socialism is introduced into the workers' movement and is not shaped ad hoc within the proletarian camp. And this idea has not become outdated. It is very dubious to imagine that we can create theory at mass rallies.

At this point demands were made for the authors of the draft under discussion to be named. That is a very difficult issue. First, not all the authors will subscribe to the draft because some agree with one section of it and others with another section. But we must learn to combat ideas and not individuals. Because some people are already prepared to utter the menacing words: "Ah, that's the man who..."

In A.A. Denisov's opinion, the Communist Party's immediate task is to be a kind of cultural pioneer in society and consciously develop cultural traditions and humanist ideals. This is necessary in order to instill in people a sense of self-restraint and cultivate their requirements. This was also proclaimed previously, but we have simply forgotten about it.

What kind of unity should there be within the party in my view? By strictly Russian tradition two extreme tendencies have now appeared within the party: One, dogmatically conservative, is attractive by virtue of its simplicity and ideological content, albeit somewhat naive nowadays. While the other extreme, a matter of social democratic lack of ideals and out-and-out pragmatism with a soupcon of liberalism, is attractive by virtue of its proclamation of humanitarian values, the ideals of freedom, and all that. Needless to say, that is splendid in actual fact. But on the other hand it means a departure from basic class ideas, which should not be renounced altogether because they have a scientific basis.

I think that the party's main task now is to try to shape a sensible center. It should combine devotion to lofty ideals, humanist aims, and freedoms with a scientific outlook. That's what we need.

I also propose, M.F. Nenashev said, articulating—albeit in brief—the main principles for the party's organizational and ideological activity. In terms of ideology I would raise the fundamental question of its being underestimated in the past. Paradoxical as this may seem, it never took priority in practical ideological work. It always fulfilled backup and auxiliary functions. Hence the tremendous gulf that always existed between words and deeds, between what we preached in our fine ideology and what happened in real life. The very forms of ideology, its all-embracing nature reflected a big is beautiful approach: as much political education as possible and involve as many people as possible in agitation work. We must also speak clearly about the party's attitude to the mass media as the party's most important weapon. Since it is quite clear today that that is the ultimate question.

Economy, State, and Law

The party program will be unable to awaken people's interest if it does not clearly set out a socioeconomic course—many speakers said that.

Should the CPSU, while advocating socialism, back private ownership and the market? In many people's opinion, the question of removing state controls and privatization is indeed a key one for the program. Obviously the program must demonstrate a totally clear orientation regarding the kind of removal of state controls and the kind of privatization that the CPSU favors. There must be supreme clarity on this point.

Yu.A. Prokofyev noted that the market must be seen as a means to an end—the supreme well-being of the working people—and it is by no means mandatory to effect a crude change of forms of ownership to make the transition to the market. The actual path of reorgzanization traveled by our economy with its special features, he said, will show the ratio of state to private ownership in our country.

While giving priority to ownership by the whole people, one must not rule out the privatization of some property. In the opinion of some participants in the conference, that position would run counter to Communist convictions. Professor M.V. Popov from Leningrad, who represented the Communist Initiative Movement at the commission sitting, said bluntly that the course of private ownership and hired labor is, effectively, the course of restoring capitalism, the course of reaction.

Academician Ye.M. Primakov devoted his entire speech to the problem of ownership under socialism and its reflection in the party's program. The world has undergone fundamental changes, he said, since the well-known ideas regarding the incompatibility of private ownership and socialism were voiced. Forms of ownership have evolved. So, it is necessary to take these real changes into consideration and renounce the stereotyped thinking and mechanical approach to the words of the classical scholars, who could not foresee all the details of the society of the future.

Many people pointed to the need to clearly define the party stance in the program: What kind of sociopolitical system and what kind of state system does it advocate?

V.F. Yakovlev proposed reinforcing in the draft the idea that the CPSU advocates movement toward a rule-of-law state, toward a society in which laws rather than people rule. The rule-of-law state, he said, constitutes not only a strategy but also current tactics. Our society stands in extreme need of an efficient mechanism to execute laws. We simply have no other means today of overcoming our countless problems.

Plenty of opinions were voiced regarding the party's attitude toward the future of the Union state. V.G. Gusev and A.V. Kryuchkov voiced doubt as to the correctness of the draft program's clause saying that "the transformation of a supercentralized state into a truly union state based on self-determination and voluntary union of the peoples has begun." In V.Yu. Zorin's opinion, the draft Union Treaty developed, as it were, out of creative work on the part of the masses and the republics' real desire for and movement toward sovereignty and therefore accords with their aspirations. The draft program reflected principles on which the Union Treaty under preparation is based precisely because they accord not with transitory interests but with historical aspirations for free national development amid an international union of peoples.

Particular attention was drawn to CPSU activity in the sphere of defense and our country's security. N.I. Shlyaga proposed when finalizing the draft that it talk more clearly of the evolution of the USSR Armed Forces' internal and external functions and the problems of implementing military reform.

In The Light Of Historical Experience And The Realities Of The Modern Era

There was also a discussion about evaluating the path traveled by the party and the country. Some speakers expressed the opinion that a historical digression in the program is not necessary—attention should be focused on contemporary problems and forecasting the future. Disagreement with this was voiced by commission members K.Z. Surbulis and M.N. Kachanov, representatives of Baltic Communists, who are well aware how our political adversaries are able to use historical "details" in the struggle against the party. And can plans for the future be constructed without understanding the lessons of the past, particularly as there is a host of people who love either to idealize the past or completely erase it and deprive us of our historical memory?

This, as was noted at the session, affects the significance of the October revolution in the fate of world civilization, the role of V.I. Lenin, and the Bolsheviks' program aims.

Is our country, which has implemented the socialist option, in a condition to enrich the new civilization toward which the world is moving? This question was considered by participants in the discussion.

After the Great October Revolution the Land of the Soviets revealed to the world unprecedented opportunities for ensuring dynamic social progress. All the peoples of the USSR made an invaluable contribution to creating its economic potential, to its social and spiritual development, and subsequently to the defeat of fascism, averting the greatest danger that has confronted mankind in the 20th century. No one has the right to erase this. At the same time it is impossible, as was said at the session, to identify Soviet society with the concept of socialism, because it is impossible to devise anything worse for the socialist ideal than such an equation. This would mean deeming socialist a society where the food problem has not been solved, where people do not have housing, where there is no rule-of-law state... You cannot inspire people with that kind of socialist ideal.

What kind of ideal is needed, then?

The draft program under discussion talks about establishing humane, democratic socialism. The discussion paricipants did not disregard this concept. It did not raise any special objections, but the appeal of I.V. Belskaya (Ashkhabad) could not be overlooked: The party should solemnly state that it is against the imposition of any new plans to make people happy by coercion. Okay, one can agree with that. The time of devising "formulas for happiness" for all has indeed past. The draft program says unambigously: Humane, democratic socialism is not an abstract schema, not some kind of next "stage" in the development of our country or a distant goal. It is formed in the process of implementating today's radical reforms and eliminating the former authoritarian bureaucratic system. Its formation is also inseparable from the basic trends of development of world civilization. In other words, for all the "scientific appearance" of this idea, it is utterly down to earth and realistic in character and reflects not an objective set by "theory," but what life itself generates. And whether we will be able to make our lives genuinely humane and democratic and place people and their happiness and spiritual and moral development at the center of everything now depends on us ourselves.

It is now clear that this can not be achieved without creating a mixed economy and forming a civil society and democratic, rule-of-law state. Either we will recognize this imperative and be ready to assist our society's success or we will try to stop the continuation of the reforms launched and start devising some path by which no one has ever achieved success—this idea was also expressed during discussion of the draft program. The inertia of public awareness often works against the acceptance of this new view of socialism and its development in the modern world. Serious work to promote innovatory ideas is needed, speakers said.

The question of the party program, A.V. Zolotov said, is a very important question for young people, because the program is designed to enshrine not just today's course, but the strategic course. And it is young people, as we know, who will have to implement this program. What kind of course, then, is in accord with the fundamental interests of our country's young generation? I think that there is only one course—the course of creation, the course of communism. And when some people say that they do not know what communism means today, I want to tell them that my teachers taught me well and helped me understand that communism is a system of social equality, but equality not in poverty, but on the basis of universal development, universal wealth; and not wealth in a narrow, consumerist sense, of course, but wealth of free human development. Such a strategy is in accord with the fundamental interests of the majority of our young people. Unfortunately, this strategy is not very clearly expressed in our party documents or our everyday ideological work.

I think, A.S. Dzasokhov observed, that all the participants in the discussion of the draft program have grasped thoroughly—at least that is what I sense—and with renewed force our responsibility. Nevertheless I still have the feeling that we are somewhat divorced from the real situation prevailing in our party and society at this moment. Closing this gap is a key and very complex task, in my opinion.

In 10 days' time it will be one year exactly since the 28th Congress, where we sought and adopted difficult decisions and embarked on renewing our party. It is appropriate to ask the following question: If we accept these decisions in their consolidated form, why do some people today want to revise them completely? To answer this it is important perhaps precisely to define who is a Communist. Given our tactical and strategic tasks, a Communist is someone who recognizes today the decisions of the 28th Congress. Consequently we must seek to ensure that our program does correspond to the decisions of the 28th Congress.

I want to support those viewpoints aimed at the adoption of a single program document. As a member of the Program Commission I would like to speak quite definitely in favor of adopting the document for the 1990s that Mikhail Sergeyevich spoke about in his opening address. Why? Because we can not bypass the objective processes which are occurring in society.

Party committees urge the adoption of the program. However, some people simplistically believe that all you need is a program and all questions are resolved. But that is impossible even in, say, the clearest and most stable period and especially now. Thus I want to stress that the commission, which the congress elected, is answerable, it seems to me, not only for the preparation of the program but also, so to speak, for the technique whereby it is put forward and discussed. I would propose submitting the draft to the scrutiny of the intellectual nucleus of our party and to discussion in scientific institutions and the Academy of Sciences, which in October will examine the state of social sciences in the country at a general meeting for the first time.

It is being said here, V.A. Ivashko said, beginning his speech, that there are three or four parties within the CPSU now, maybe even more. Judging by the number of draft programs which are now circulating among party organizations, the number is even greater. On the one hand, this demonstrates that the party is vibrant with life and on the other hand it demonstrates the tremendous complexities of preparing a program document. Preparing the kind of draft program which would completely suit everyone in the party right now is not simply difficult but a practical impossibility, given the enormous range of opinions.

But what is the task facing the document which we must take to the party? It is possible either to split the party or try to unite around our draft all the constructive forces of the CPSU. There are a tremendous number of attempts to fragment and split the party now. The fate of the party depends largely on the document that is being prepared. Either we use it as a pivot around which the party can be united or as a knife which, inserted into the cracks that already exist, will cut it into many pieces. Fragmantation may not be so dreadful. But a split in the party, according to our most deeply held conviction, is a tragedy because all these myths and illusions about the possibility of the existence of two large and related parties—one of a social democratic thrust, the other, let us say, orthodox communist—these are all cock and bull stories designed for idiots. No more than that. The experience of the East European countries in particular shows that such a split means the withdrawal of those parties from the political arena.

Comrade Gusev used the following phrase here: The people can live without the party. This is an illusion, a deception. The people can live without this particular party. But its place will be taken by others and they will not be communist, not even socialist.

To unite all progressive forces around the CPSU Central Committee draft is, in my opinion, the most important task. In this connection I think that it is only possible to embark on a partywide discussion with a single version of the draft program. You cannot confront our confused social consciousness with a number of documents, as someone proposed here, and say—take your pick.

That we should extract from the existing drafts the rational element, the correct provision, and use it is a different matter. But we must not sow confusion in Communists' consciousness.

There is another most fundamental factor. The 28th congress decided clearly and unambiguously to prepare a draft program on the basis of the congress' Program Statement. And no one gave us the right to display right now what might politely be called legal nihilism or, in plain language, to show a cavalier attitude toward the congress' decision. And to then begin improvising something else which is fundamentally different from the Program Statement. Incidentally, I want to inform you that in the 11 months after the congress, despite the very profound analysis of the Program Statement which took place abroad and in our country, certain forces chewed it over pretty substantially and no organization or critic expressed the kinds of opinions which would repudiate this Program Statement on its main provisions.

I am a supporter of the proposal produced here at the commission session. Probably it is necessary to convene a joint meeting of the Central Committee plenum and the program commission and after consultation adopt a resolution on the discussion on the draft program. You can not simply print a draft and say: Send in your responses, comments, and suggestions. The state of people's minds now is such that it will be necessary to organize the study of the draft program and delve into its essence. In addition, the plenum could emphasize the attention paid to the most fundamental and most important ideas of the program and highlight its resolutions as the key ones on which a discussion should begin. They include the communist ideal and the socialist idea, the new economy, the attitude to ownership and the product of labor, the party itself. Comrade Lavrentyev said here that the party and Communists must adapt to the draft. That, in my opinion, is a very accurate assessment of what is happening in society now. People must become accustomed to the new ideas. And I think that in this sense the plenum resolution that I am talking about would be of great significance. The plenum should be held in July, in about 20 days' time. Between now and then we should improve the draft in the light of comments and proposals.

The closing address was given by M.S. Gorbachev.

He noted that the discussion had been good and useful. I believe that this will help the commission and the working group whose activity we are updating in the closing stage.

I am satisfied with the discussion. The congress' instruction to the Program Commission to submit the draft in the first half of the year and to publish it not only has not lost its significance but has even acquired greater relevance. I would say that this is necessary for the party today to enable it on the basis of this political document to try to retain the strategic initiative and not yield it to those who are now trying to wrest it from us and especially impose, sometimes not unsuccessfully, their vision of today's transformations and the prospects for those transformations.

Furthermore, when we say that it is necessary to retain the initiative this does not mean that we are rejecting cooperation and collaboration with all democratic forces in society for the purpose of achieving consensus. Absolutely not!

Many comrades who today discussed the third version of the draft have the impression that it is defective because of its lecturing and didactic tone. The presentation of the material is the most serious shortcoming of the previous versions. Probably the task then was to collect more ideas, to expound them in some way, and to arrange sections, and due attention was not paid to the presentation of the material.

In version four considerable work has been done and that enables me to say that this latest version of the draft should be taken as the basis for the continuation of work. From the ideas proposed here I can see that comrades are of the same opinion. It is necessary to extract the maximum from the draft that we are discussing because there is much in it which makes it possible in the light of today's exchange of opinions and the other remarks that exist (incidentally, the working group has received 1,000 pages of remarks and thorough work is going on there) to embark on the draft which we need today.

I see it as a progressive document. This is linked with what L.I. Abalkin said here. A modern program must be based on modern knowledge, modern achievements, an analysis of our own experience and of everything that is going on around us. And on a modern knowledge of history, a consideration and knowledge of the lessons of that history, because we now have a potential quite different from that which we had until now.

This has still not been fully accomplished and thus the draft still can not satisfy many of those Communists who are committed to the socialist idea and who link their personal destiny and personal choice with it.

The draft can not please many people because in certain areas life has already outstripped this document. It cannot satisfy the reformers and progressives because on a number of issues it does not yet develop the thinking of perestroyka further and to some extent marks time. This is a fact.

And of course this document will not satisfy the conservatives and even less the reactionaries within our party: For them this version contains too much sedition and too little conventional and hackneyed dogma. For this is the stuff of their life, it sustains them. That is how I would describe the situation at the present time.

What should we be guided by in further work on the draft? I believe it should be by a creative analysis of the new trends and phenomena which enrich our vision of socialism and give the socialist choice new content. That is the first point.

Second. We must consider the timetable that this program is designed for. This is not an easy question. Even now I—and I want to be honest with you—have not come to a final decision on that for myself. Comrades argued convincingly, especially those who have spent many years working on the elaboration of theory, that a program is a program, there are certain demands to be made of it and it gives rise to certain expectations. But those comrades who said that unless we take into account the realities in which the document is being prepared it may not achieve its aim, were also right. It seems to me that even if the new program on the whole correctly resolved questions and gave correct guidelines for the immediate future but did not grasp present-day worries and did not reflect society's present concerns—it would have no significance. Then we would not receive the proper feedback from society.

Because there are new battles ahead, including new elections, we will fail with the program if it does not address current issues. Therefore, both from the viewpoint of the demands on the program and in view of the social context and the entire reality in which we are working we must resolve this dual task. And perhaps within the framework of this document introduce a section entitled "Paramount Tasks." It is not necessary to list all the anticrisis measures here and now.

It seems to me that when we are considering the program questions and thinking about the present-day objective trends which are unfolding in our society and the world from which our tasks stem, we should agree that it is now impossible in principle to produce forecasts in excess of about 20 years ahead and it would be simply wrong to do so.

Very much is going to happen here in the next 10-20 years. You will see, everything is changing rapidly. We have become quite different.

I think that we can not do without a modern consideration of our history and its lessons. Because much stems from that. And furthermore that is precisely why there is increasing misunderstanding.

I think, comrades, that we cannot do without a fundamental analysis of Stalinism, either. Now, when we have such a knowledge of the history of society and of the party itself we cannot fail to come to very profound and far-reaching assessments of that phenomenon and of post-Stalinism and finally the manifestation of neo-Stalinism. This is very important. Without examining all this within the party and without explaining to others we will not be able to resolve many things either theoretically or politically. I think that we must be courageous and speak the truth on this in our program.

Obviously, we also need to talk directly about the need to avoid religious veneration of the founding fathers and of literally everything that they said and wrote. This in no way means that we do not recognize them as giant thinkers. We profoundly respect them. They are an example to us of service of lofty goals. But this does not mean that we are entitled to decline an independent role in a new era, when mankind has move so far away from the conditions and circumstances which were analyzed by our predecessors and teachers. If we do not overcome this we will have no progress. This needs to be said.

Karl Marx, as is well known, stated in reply to his daughter's questions that his favorite slogan was "Doubt Everything." We consider ourselves to be Marxists. But even within the CPSU there are many people who do not want to go to the trouble of making a critical analysis. Although such a critical analysis is very important, comrades. This is what will provide oxygen and give us an incentive to renew our party. We still fail to understand the need for change all too often. Marx would probably be the first to say: Who would have thought that my successors would be so limited?

Clearly, we need to rethink the structure of the draft. Perhaps we need to discuss the lessons of the history and future of socialism in the context of world civilization. We need to answer the question of what we want. Here we could bear in mind two subsidiary questions: the meaning and role of perestroyka, and the lessons of reform. This is very important. Then there will be a logical connection. We will talk about the lessons of the history and future of socialism and immediately show how we are resolving this task today, through our current quests and society's progress. And, finally, we must pave the way to a renewed party and produce an action program.

Thus, we should take account of everything we have worked out—it contains a lot that is good and sensible. We need to deal correctly with this material in order for it to start working, and we must take account of and consider what has been said here. And very many substantive points have been made here. I have listened to a great deal with great interest, I have picked up a lot.

With regard to the proposal to supplement the working commission—if you permit, we could instruct Gorbachev, Ivashko, and Frolov to consider who else to involve in order to organize work in this way with new blood. If comrades are not opposed, we will do so.

I advocate that the draft program be put to a Central Committee plenum and that the said plenum be held in July. It strikes me that we need to go down this route in order to avoid any misapprehension or misunderstanding—which we have had aplenty. All the more so as all this is affecting society, which is watching us and wondering just what is going on in the CPSU.

If we look ahead and think realistically, I am sure that we will be able to create a document which can provide the basis for party cohesion. And in this connection I return once again to what I said in Alma-Ata: We must create a program around which all the CPSU's democratic and constructive forces can rally. And those who do not recognize the program should make their choice. Our task is to produce a realistic, constructive, and progressive document.

Gorbachev Says Secretary Post Issue Resolved

OW0407053891 Moscow INTERFAX in English 1800 GMT 3 Jul 91

[Transmitted by KYODO]

[Text] The President of Kazakhstan Nursultan Nazarbayev has divulged at a press-conference that at Wednesday's meeting of the Political Bureau Mikhail Gorbachev raised the question of discussions concerning his continued holding of the General Secretary's post. "Ever since the April plenum", said Gorbachev, "talk has been going on if there should be a new general secretary". The Political Bureau decided, though, that the question was solved at the April session and should not be raised again and again.

The Kazakh president also said that he liked the organizers of the new democratic movement: "I believe they proceed from constructive ideas, their programme is based on humane and democratic principles and aimed at the progress of restructuring. We'll live and see", concluded Nazarbvayev.

Further, he said that Kazakhstan was solid for bringing market relation to the country, for free enterprise and production and against concerns set up by the ministries. "Only 10 or 15 per cent of Soviet economy was working for people", he explained, "the rest was just self-perpetuating".

In his opinion, the weak spot of President Mikhail Gorbachev is that a new economic policy has not been worked out in all the 6 years of restructuring". He failed to train people for a team to effect a real economic reform. Instead of economic policy we have been busy with various economic programmes".

In reply to the question about his attitude towards Mikhail Gorbachev's visit to London during the Great Seven meeting Nazerbayev said that the economy of the Soviet Union should be intergrated into the world economy. The whole world is interested in having the USSR among democratic states, so Mikhail Gorbachev will not be exactly in a beggar's position in London.

The Soviet Union has come now to a crucial turn—finds the Kazakh president—it has to either go back to the administrative system or forward to democracy and market relations.

Gorbachev Said Not Preparing Special G-7 Program

OW0407064191 Moscow INTERFAX in English 1230 GMT 3 Jul 91

[Transmitted via KYODO]

[Text] Soviet Prime Minister Valentin Pavlov has said that, as a member of the group preparing the programme for Mikhail Gorbachev's visit to London, he knew nothing about any special economic programme being prepared by the Soviet President to discuss with the G7 leaders. The Premier said that the programme that is being worked on is actually one for the visit as such, namely subjects are being being dealt with which might be brought up during the talks in London. The programme is not ready yet, for "it will be discussed with the governments of individual republics more than once". Pavlov said at a press conference in Moscow today.

When asked what he thought of the programme prepared by Grigory Yavlisky jointly with some economists from Harvard University (USA), Pavlov said: "You can't put all your eggs in one baket. It'll be allright if the West gives us money (which is envisaged by Yavlinsky's programme—IF [INTERFAX]), but otherwise we'll have ourselves to rely on, asking for loans and investments."

The Prime Minister said that the Soviet economy had got to a state of unstable equilibrium. The forecasts that production would dwindle by some 20-30 per cent this year by comparison with last year have proved wrong. The recession had only been 6 per cent. According to Pavlov, the physical volume of production in the Soviet Union has not diminished since last april.

At the same time, he said, the recession is a problem which has still not been solved. "We seem to be balancing on the brink of a precipice, and we shall try to save ourselves by means of light industry and agriculture."

Our correspondent asked Pavlov to comment on his estimates of the grain harvest for this year, which he gave yesterday (180-190 million tonnes plus 77 million tonnes to be bought abroad), to which the Prime Minister said:

"180-190 tonnes is the amount of grain after has been processed, and put in granaries [sentence as received]. Another important point here is what kind of grain we mean, whether it is millet, barley or wheat. Yesterday I specially emphasised the need to store up an adequate amount of hay and other fodder. If we manage to do that, we will not have to import any grain. Actually, what we need to buy abroad most of all are soya beans and fodder. If we have those, we will not have to buy any grain."

Asked about the government's price policy, Pavlov replied that there would be no more administrative price rises. His government's purpose was to remove its control of the prices, except for those for the basis foodstuffs and consumer goods.

Speaking about prospects for economic relations with the republics which are not going to sign the Union traty, Pavlov said the Soviet Union will above all be pursuing its own interest. The six republics which want to leave the Soviet Union, he said, only represent 6 per cent of its economic potential, and the economy of the new Soviet Union will not be affected by the loss very much.

Shenin Criticizes Magazine Items on Gorbachev

PM0407125191 Moscow PRAVDA in Russian 4 Jul 91 Second Edition p 2

["Pertinent Opinion" by Oleg Shenin, Secretary of the CPSU Central Committee: "Let Us Not Forget Ethics"]

[Text] Issue No. 26 of the weekly NOVOYE VREMYA assigns considerable space to articles by A. Pumpyanskiy and M. Shakina. The weekly's chief editor seems to have decided that M.S. Gorbachev, the president of the country, will not be able to decide without his help which members of the USSR Security Council are fit for their job and to what extent, as the USSR and world public were told in quite tactless form in his publication. On subsequent pages members of the NOVOYE VREMYA editorial collective also felt it necessary to give the president advice on how to deal with the USSR Supreme Soviet, its chairman, and the country's prime minister and ministers, expressing an extremely disrespectful attitude both to individual statesmen and the constitutional organ of power as a whole.

While in no way seeking to cast doubt on the right of journalists and the organs of the press to express their opinion on the country's domestic life and foreign policy or the activity of state and political leaders, I think the aforementioned articles not only exceed the bounds of journalistic ethics but also cause moral harm to the prestige of the head of state, the state organs of power, and their leaders.

TASS Reviews 4 Jul Press

LD0407072891 Moscow TASS in English 0538 GMT 4 Jul 91

["Soviet Press review"—TASS headline]

[Text] Moscow July 4 TASS—Newspapers report a meeting of Soviet leaders in the Kremlin, chaired by President Mikhail Gorbachev. The meeting discussed economic results of the past six months. Prime Miniser Valentin Pavlov described the situation in the national economy, saying that his government succeeded in slowing the economic downturn. The situation in the economy, however, remains very tense and dangerous, he said.

"Everything comes down to accord, and consequently to the Union treaty. This is our chance for survival," Gorbachev stressed, summing up the results of the meeting.

On July 3, the USSR president met leaders of nine republics. Participants in the meeting reiterated their adherence to the April 23 statement and their readiness to continue working to stabilise the situation and implement the anti-crisis programme, PRAVDA reports.

PRAVDA carries an interview with Mintimer Shaimiev, Tatarstan's first president. Tatarstan struggles for a genuine sovereignty but not to split the Union, Shaimiev said.

Economist Tatyana Koryagina comments in KRASNAYA ZVEZDA on the country's shadow economy. She calls for unity between conservatives and democrats in the face of the onslaught of shadow dealers.

RABOCHAYA TRIBUNA carries an article by political scientist Yuriy Lvov, who comments on the cultural and information crisis in relations between the Soviet Union and its East European neighbours.

TRUD comments on tensions between Armenia and Azerbaijan.

Newspapers report developments in Yugoslavia.

KOMSOMOLSKAYA PRAVDA writes about European efforts to settle the conflict.

TRUD comments on the dissolution of the Council for Mutual Economic Assistance and the Warsaw Treaty organisation.

KRASNAYA ZVEZDA comments on U.S. military presence in various countries. The withdrawal of U.S. military objects from Panama, Greece, Italy, and Spain poses serious economic problems before the local people, KRASNAYA ZVEZDA writes.

TASS Reviews 5 Jul Press

LD0507062191 Moscow TASS in English 0608 GMT 5 Jul 91

["Soviet Press Review"—TASS headline]

Moscow July 5 TASS—President Mikhail Gorbachev met Mexican President Carlos Salinas de Gortari in Moscow on Thursday, PRAVDA reports. The newspaper publishes speeches the two leaders exchanged at a dinner Gorbachev hosted in the Kremlin in Salinas's honour.

Mikhail Gorbachev will have a working meeting with President Francois Mitterrand in London on July 17, PRAVDA reports.

Newspapers publish a presidential decree lifting a state of emergency from Geranboi and Jebrail regions in Azerbaijan due to normalisation there. A state of emergency was introduced in the area by a parliamentary presidium decree on January 15, 1990.

PRAVDA publishes Gorbachev's greetings to the First Congress of Peoples of Northern Ossetia.

PRAVDA comments on the move by Aleksandr Yakovlev, Eduard Shevardnadze, Anatoliy Sobchak, Gavriil Popov and other democratic leaders to set up a new democratic movement.

The move would not have caused such a hoopla if it wasn't proposed by people who worked closely with Gorbachev, PRAVDA says.

Soviet Communist Party Central Committee member Gennadiy Seleznev compared a statement by the "nine" with a programme adopted by the 28th Communist Party Congress, titled "Towards a humane and democratic socialism". Seleznev doubted the organisers' sincerity and their ability to implement their ideas.

SOVETSKAYA ROSSIYA blasted Yakovlev and Shevardnadze, saying their actions would haunt the party for years.

KOMSOMOLSKAYA PRAVDA comments on privatisation in the Soviet Union. By 1995, the share of state-owned industries in the national economy will drop to 25-30

from 95

this year.

SOVETSKAYA ROSSIYA opens its front page with a report from a congress of workers in Nizhny Novgorod, who blasted plans "to sell national riches" and called on the government to suspend the debate on a privatisation bill and hold a country-wide referendum on land and property ownership.

PRAVDA comments on Vladimir Gubarev's international Chernobyl project.

SELSKAYA ZHIZN analyses the situation in rural areas. Crop and fodder yields will be lower this year than last year in the eastern USSR and low stretches of the Volga River due to a drought, the newspaper says.

July figures of harvested crops are two times lower than last year figures, the newspaper reports.

Independent trade union leaders met in Moscow recently, agreeing to hold a congress of independent trade unions and strike committees in October-November, RABOCHAYA TRIBUNA reports.

PRAVDA comments on Western aid to the Soviet Union. "Only a mutually-beneficial cooperation with the West, free from political conditions and artificial limitations can" help pull the Soviet Union out of its crisis, it writes.

PRAVDA publishes an interview with Spanish opera singer Jose Carreras, who speaks about his life and work.

Economic

Premier Pavlov Answers Questions on Economy

LD0307171391 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 3 Jul 91

[From the "Vremya" Newscast]

[Text] USSR Prime Minister Valentin Pavlov gave a news conference in Moscow today.

[I. Minayev] The establishment of a new press service of the USSR prime minister was announced at the start of today's meeting. Soviet and foreign journalists will henceforth be invited regularly to meet the head of government no less than once a month.

Today's news conference by USSR Prime Minister Valentin Pavlov demonstrated once more that such meetings are necessary. Several questions were asked. In answering them, Pavlov noted that the situation in the economy remains tense. The country is in a state of unstable equilibrium. How are we going to get out of it? Of course, the government is counting on foreign investments and credits. However, in the prime minister's opinion, we have to tackle our problems by ourselves, without putting our trust in a kind uncle from overseas. The main thing is to gather the harvest while keeping losses to a minimum, to encourage the output of goods in every way possible and to make skillful use of loans and tax benefits as stimuli to develop their production. As for prices, Pavlov said there are no grounds for forecasts that they are going to rise sharply, almost 15 times.

[Begin Pavlov recording] No government will ever allow that. It will definitely have to apply specific brakes and mechanisms to soften the blow. No government can allow prices to rise fifteen-fold. [end recording]

[Minayev] Reporters asked how relations are developing between the republics and the center, and whether the establishment of republican jurisdiction over enterprises is having an effect on their economic ties.

[Begin Pavlov recording] It is having a negative effect. The central question today is not the jurisdiction of a particular enterprise, or what nameplate is bears: Russian Soviet Federated Socialist Republic, Ukraine Soviet Socialist Republic [SSR], Estonian SSR, or ASSR [not further identified]. That is not the point. The fundamental question today is this: Whether enterprises have the right to be independent. If we want to establish a real economy, based on horizontal ties, the main stress has to be laid on the independence of producers of goods. Ultimately, the question of what will become of our country, what sort of life we shall lead, and what kind of market we shall have is decided at the factories, on the fields and in the farms—not on an embankment in the city of Moscow. [end recording]

More on Pavlov Briefing

LD0307163891 Moscow All-Union Radio Mayak Network in Russian 1319 GMT 3 Jul 91

[Report on USSR Prime Minister Valentin Sergeyevich Pavlov's news conference in Moscow on 3 July by station correspondent Valeriy Kiosa—Pavlov's remarks recorded]

[Text] [Kiosa] One of the first questions at this meeting between the prime minister and journalists concerned a problem currently of interest to many of us: What is Valentin Pavlov's position with regard to cooperation with the Western countries, and is it possible to combine the joint anticrisis program and the document prepared by Grigoriy Yavlinskiy? Here is what the prime minister said:

[Pavlov] If this program is to be regarded as a Western program of assistance for the Soviet Union, then I am ready at any time to take part in the elaboration of any measures on how to make use of the resources which, if the program is anything to go by, the West is to make available to the Soviet Union. When all is said and done, we have based and are basing our program mainly on the fact that we must go over to the market as a way of getting out of the crisis and resolving the problems that have accumulated, irrespective of whether anyone will or will not help us. It is our own problem; we have created it ourselves and it is we who should tackle it. That is, of course, we have in mind that we will attract foreign investors too, which includes loans, investments, and other forms of cooperation, because our development program at present is in itself almost becoming integrated within the world economy.

As for the particular and specific question to the effect that someone will also envisage the extension of not only repayable but also free assistance. I would hardly be willing to count on such a sensitive problem during the elaboration of the program. How can you stake all on one card? We have proceeded from the fact that our cooperation will be developing, as it were, in the same way in which it is developing at present, generally based, I would say, on the new thinking that is taking shape and the favorable attitude of the Western countries toward our perestroyka. But if, as they say, they decide to broaden assistance and make it quickly available, what then? It will only help us implement the program we envisage with regard to the transition to the market.

[Kiosa] Replying subsequently to journalists' questions on what advantages it is proposed to give to enterprises, Valentin Sergeyevich Pavlov stated that already as of 1 July the enterprises' investment expenditure is free of tax, that is, what they spend on the reconstruction and development of production, as well as the means allocated toward buying out of enterprises in the process of dismantling the state controls and privatization. The part of the enterprises' profits obtained through the commodity, rather than fiscal increase in the production of consumer goods and some other goods, relative to the past year, is also free of tax.

Incidentally, the prime minister did not rule out the possibility of other advantages, too, for instance construction workers receiving double and triple bonuses if they hand over the facilities for processing of agricultural output for use by this fall, irrespective of how long a facility has been under construction. This is, of course, connected with the need for not only gathering in, but also for preserving the harvest.

The journalists could not, of course, pass over in silence a problem such as mutual relations between the center and republics, in particular what has been termed the war of laws. This is how the USSR prime minister described the current situation:

[Pavlov] I must say that it is maybe not continuing. The whole thing, however, is the fact that it was undertaken. No one has yet shoveled aside this whole pile of contradictions. But, in this case, I can refer to a simple thing for you: the matter revolves around the differences in the banking legislation. According to the republican laws, we ought to have 15 central banks. If we have in the country 15 central banks, then it means that there will be 15 centers for issuing money in the country, something which we actually can see today. Every central republican bank essentially carries out the printing of money on credit, without control on the part of a single center. But, as you yourselves understand, the printing of money on credit has always been a way of dipping into your neighbor's pocket, and it is good if he does not see it. In this sense, after all, this results in our being unable to exercise really strict control over the issues of money printing in the country. That is indeed why we are of the view that a treaty must be signed, and that the legislation of the Union and the republics must be made to be interpreted in a common and single way. Only thus can we generally resolve the issue of a single economic space, a single monetary, financial and credit system. You yourselves understand that without this unity there is no Union and there is no economic agreement.

[Kiosa] Finally, one more problem touched on at today's press conference: how are relations to be built with the republics that will not form part of the Union? Here is Valentin Pavlov's position:

[Pavlov] We have always said that whether a republic leaves the Union or not is of no fundamental importance for the economy. The question is: On what principles will these ties be based? Will they be like those with a foreign state, or with an associate member, let's say, like between the EC and Austria, or in yet some other way? We will build them in the manner in which we find it convenient so to do.

Pavlov, Gorbachev View Economic Performance

PM0307123591 Moscow PRAVDA in Russian 3 Jul 91 Second Edition p 3

[TASS report: "Way To Survive. Kremlin Conference"]

[Text] The economic results of the last six months and the economic forecast for the second half of the year were discussed at a conference in the Kremlin chaired by USSR President M.S. Gorbachev. It was held 2 July with the leaders of the republics, the USSR Cabinet of Ministers, the central ministries and departments, and scientists.

In an hour-long report USSR Prime Minister V.S. Pavlov gave an exhaustive picture of the situation within the national economy, illustrated with diagrams and tables posted on the walls of the oval room. The Cabinet head's main idea is that it proved possible in the period from May-June to halt the increase in the crisis. The decline in production volumes has slowed down.

However, the situation in the national economy is still extremely strained, even dangerous. In industry, production of four-fifths of all kinds of products has dropped, contract shortfalls are increasing, food reserves have dropped to the danger level, and people are increasingly conscious of a shortage of goods at state trading outlets. The decline in construction is particularly painful.

The Cabinet head stressed that all this is not the result of a natural disaster but a logical process—the result of our former economic policy. We were late in changing course and even now we are delaying with reforms.

Sometimes, looking back over the last few months, you are unable to understand how the country managed to survive under these conditions, the premier acknowledged. Even bread was in short supply and basic sectors were on the verge of collapse. It has now largely proved possible to block these negative processes. Commodity stocks have begun to increase—the volume of these stocks increased by 10 billion rubles [R] in May.

How does the Kremlin see the second half-year? Planning a significant increase in imports, the government is hoping to revive the economy somewhat. As a result, the country will be able to attain the 1990 level in terms of mean statistical production.

The key problem now is bringing in the harvest. Dwelling in detail on the prospects of meeting the country's need for grain crops and other highly important agricultural products, the prime minister stressed that all possible steps have to be taken to avoid last year's galling experience of losses. Prices for agrarian produce on the world markets have soared. People are there waiting for us. We cannot regularly spend hard currency on grain.

The situation in light industry was analyzed in detail. In addition to dependence on imports, this complex's sectors are suffering from our own lack of coordination whereby everyone sees to themselves, establishing internal restrictions and barriers.

The question of preparing for winter is also most important. The country's generating industry has met average requirements for power. However, according to meteorologists' forecasts the series of mild winters is drawing to an end. The conclusion is that management of the fuel and energy complex must remain unified since no republic can meet its own needs autonomously.

The situation in the financial sphere is still extremely acute. It is here that all our disorder and disturbances are concentrated, the head of government reckons. This is above all the result of a failure to carry out economic agreements between the center and the republics.

What way out is there? Axing social programs is not for us. There remains just one option—to step up production. The hardest phase of pricing is behind us, V.S. Pavlov assured. Price liberalization is next in line, that is the transition to the market.

V.I. Shcherbakov, USSR first deputy prime minister, warned that if we do not implement economic agreements in the future, the money supply increase could reach R150 billion. At the same time the republics' and municipalities' spare money is being lavishly spent on more and more programs. That is a tribute to populism. Competition to see who can raise wages higher and reduce work time more tangibly will result in a new inflationary spiral.

The current situation rests on thin ice. This may be broken by any imprudent move. The first vice premier put the question point-blank: Is the anticrisis program a law or a recommendation? If it is the former, all the plans must be implemented rigorously.

The trenchant debate that unfolded at the conference showed that this is no easy matter. The speeches revealed the various republics' different approaches to implementing the documents that have been formulated jointly. Some think that the transition to the market is a matter of replacing central diktat with local diktat, while others, referring to unequal starting conditions, are threatening to raise prices for raw materials, while a third group is pressing for a partial return to elements of the outdated command system. The uncoordinated approaches may necessitate before the end of the year the kind of issue with which State Bank presses will be unable to cope even if, as intended, R200 or even R500 banknotes are released onto the market. All the same, everyone now seems to share the idea of the need to surmount the conflicts that are threatening to push the country into the abyss.

M.S. Gorbachev summed up the results of the discussion. When we agree on something, he said, we proceed on the premise that the economy binds us very tightly together. It dictates that no one can extricate themselves from the crisis on their own. I will return to the key idea once again: We must only operate together. There can be no illusions.

How far can we reach agreement? If we embark on the idea of the need for a single market, it should be a truly single market. Although signs of stabilization have emerged, the question today is very acute—it is a question of survival. No one in the world will do business with us until we reach agreement in society and normalize our economy and finances.

In London I have to answer the following questions: Is the "Nine plus One" agreement in force, will the Union treaty be signed, with whom are we to do business in the USSR if everyone is declaring sovereignty? We ourselves must first answer these questions.

The USSR president then dwelled on specific questions broached during the debate. The first problem, he stressed, is food. It will be easier for us to talk with agrarian workers if we resolve the issue of pricing parity. Our current task is to harvest everything that we have cultivated without losing anything and set all the food enterprises to work. Leaders of all the republics must establish control over this process. We cannot do without rigid centralization in this sphere. Incidentally, it is also typical of many prosperous economies.

The subject of financial recovery was raised next. We have reached no agreement on this, and today's discussion showed this once again. However, without agreement on this issue the anticrisis program represents a mere soap bubble. And it is pointless to talk about the market in that case. That is why we must implement what we agree on. Otherwise there will have to be rigid control over the entire banking system, and I personally do not support that idea.

We can and must preserve our market, our common economic space—as the entire world is urging us to do. People there are striving to achieve something that we already have—they are removing the barriers in the way of capital, goods, services, and the work force. Do we ourselves have to create difficulties in order to combat them later?

True determination resides not in taking hasty steps but in operating within a unified system. I favor actions in the spirit of the Union treaty and broadening the republics' opportunities. There will be no real market without true freedom for commodity producers. And we must resolve the set of questions about ownership more rapidly.

The result is that everything rests on accord and, thus, on the Union treaty. We have shed a lot of blood and sweat in order to formulate unified approaches and reach a compromise. And if anyone begins to smash it—on whatever side—we must form a wall in defense of the unity we have achieved. That is our common chance of survival, M.S. Gorbachev stressed.

Government Discusses Country's Financial Collapse

LD0407152191 Moscow All-Union Radio Mayak Network in Russian 1310 GMT 4 Jul 91

[Text] The country's government is meeting at the moment in Moscow. We have news from our correspondent Valeriy Kiosa from the Council of Ministers.

[Kiosa] Good day. A sitting of the country's government is under way here today. It is considering the first steps to implement the decisions made at the meeting the USSR president held this week, in which, I will remind you, the top leaders of the Union and autonomous republics took part. I will also recall that one of the main issues at this conference was the country's financial situation. Today it was this very issue which is taking center stage in the debates now taking place at the government sitting.

Finance Minister Vladimir Orlov cast light in more detail on the country's financial situation. He spoke about the situation arising out of various articles in the budgets—not only the Union but also the republican budgets—and made what I will call, quite bluntly, a distressing forecast: If everything goes on as it is now, by the end of the year we could have a total deficit of 280-300 billion rubles throughout the country's entire whole budget system. Let us be blunt: This implies the financial collapse of the country. In the finance minister's view, the main causes of such a situation lie in nonfulfillment of economic agreements signed for this year.

First Deputy Prime Minister Vladimir Ivanovich Shcherbakov spoke most harshly, saying that in order to put this situation right, we must literally in the next few days move over to emergency budgets at all levels and once again review the big social programs that are additional to the program already adopted in order to decide what we are able to do now and what will, unfortunately, have to be cut.

Well, the central issue of debate today has been the following: What are the main reasons for this financial situation? Is it just that economic agreements are not being fulfilled—which means it rests with the political sphere, and it would suffice for the center and the republics to make some kind of political decisions to eradicate this situation—or are the reasons elsewhere, specifically in the recession in production?

In his speech, which was still in progress when I left the hall, Prime Minister Pavlov stressed that in his opinion the most important thing is not the political causes, but the recession in production. He says there is now a catastrophic rise in the danger of an inflation explosion. We have managed to avoid this danger in the first six months of the year, but we are not going to be able to repeat this. So now, in the prime minister's opinion, the most important thing is, literally in the next two or three days, to get together representatives of the republics to review once again the whole financial area of activity and to determine what we have to do to achieve this, to halt this inflation process which is currently on the rise. The most important thing, in the prime minister's opinion, is not to resort to war in the financial sphere but to reach agreement—and, most importantly, as soon as this is done to go ahead and strictly implement the joint decision which must be adopted, I repeat, in the next few days.

[Announcer] Well, that is most valuable information; but I'm not going to let you go yet. I would recall that Pavlov said recently at a news conference that the economy, which was going over the edge, had managed to get a hold on a sheer wall, and we should grope for any point of contact. Let's hope!

[Kiosa] We will hope, but I would also like to say that we have indeed managed to get hold. But I will once again quote the prime minister and go back to his speech. He said that the situation is highly unstable, and if we do not hold on we could go over the edge. But at the moment it is difficult to say just where we are going to hold on. It is precisely so that this does not happen that we need agreed action and the ability to put it into practice. And we need the will to do so.

[Announcer] Well, so we well stop the fall. Thank you.

Cabinet Discusses Financial Issues, Problems

LD0407215191 Moscow TASS International Service in Russian 1935 GMT 4 Jul 91 [By TASS observer Brosi Grishchenko]

[Text] Moscow, 4 July (TASS)—To consolidate by all means the delicate balance achieved by the country's economy, thereby ensuring a tendency towards its improvement—today's sitting of the USSR Cabinet of Ministers chaired by V. Pavlov, head of the union government, was devoted to a complex of these problems. Where, after all, is the key link, which by controlling one could master the situation?

The cabinet believes that this link lies in the sphere of finances. Therefore, the union budget requires special attention. That is why, when developing priority activities aimed at implementing the conclusions and decisions of the meeting which took place with the USSR president recently, the government concentrated attention on the measures by which one could avert a new destructive outburst of inflation.

Indeed, an analysis of the results of the first half of this year and economic prospects for the second half year show convincingly: The functioning of the country's economy is stretched to the limit. I do not know how we have managed to survive in the first half of the year but I am firmly convinced that it will be impossible to make this way once again, the prime minister remarked. Therefore, the foundation of stabilization should be strengthened.

Finance Minister V. Orlov reported that despite economic agreements between the center and the republics, the union budget continues to show an acute deficit. Funds are being concentrated in enterprises' accounts, in regions and republics. However, as before, only a small amount reaches the all-Union coffers.

Many vitally important programs are under threat, there are not enough funds to subsidize the republics, and the stabilization fund is in dire need of replenishment. If the "war of banks" is not stopped and the tax system put in order, then the steps envisaged to improve the national economy will not yield the necessary effect, the country's major financer stated.

The minister had to give an answer to a sharply-worded question from the premier: What in fact is the main problem, the opposition of central and local authorities or the collapse of production? The leader of the finance department considers that the budget deficit is equally a direct consequence of both these reasons.

However V. Pavlov has a different opinion: The budget is one thing, but after all behind it is a completely concrete, "living" economy. As we know, production has fallen in all sectors. However, enterprises' profits have practically doubled. There is no miracle here, simply direct connivance. If this profit is put into circulation, a financial catastrophe will occur in the country. The prime minister stated: I have received a note that the main administration for production of state badges, coins, and orders will not cope with its orders for the second half of the year unless inflation rates are lowered.

Indeed, the time has come when even the printing presses have become "tired". What is the solution?

First Deputy Head of Government V. Shcherbakov and Deputy Prime Minister L. Ryabev proposed concrete steps for putting finances and production in order. An opinion was voiced on the need to immediately suspend some of the social programs additionally adopted of late, to restore restrictions on the pay fund, and on this basis to prepare a reform of the pay system.

Means and material resources should be concentrated in vital priority areas. A "frontal" advance toward stabilization is beyond our powers for the time being. Therefore, the national economy's potential should be focused on the agro-industrial complex, foodstuffs, consumer goods, medicines, and fuel and power development sites. It was also proposed that builders should be rewarded as much as possible for commissioning facilities of this kind. And it appears that in the extraordinary present-day situation the principle "at any price" is viable.

In the sharp discussion which unfolded at the sitting, representatives of republics and industries spoke out with extreme frankness. One could feel that they have great difficulties. The weight of unsolved problems is exacerbating even further the complicated relations within the national economic complex.

However, the thought that there could be no way out of the crisis on one's own, which sounded clearly at the recent conference at the office of the country's president, finally gained the upper hand in the Cabinet of Ministers, too. The recession—our chief enemy—can only be overcome by joint concerted efforts. People should not grab from each other the financial levers with which it is possible to clear the way toward efficient work. In the end, this understanding insured the decisiveness to promote, with joint efforts, an improvement of the union budget and specifying the planned steps.

Economist Says Union Economic Crisis Unavoidable

LD0407102691 Moscow All-Union Radio First Program Radio-1 Network 1000 GMT 4 Jul 91

[Text] The well-known Soviet economist, Grigoriy Yavlinskiy, one of the authors of the Harvard program for putting the Soviet Economy onto market lines, has addressed a seminar in Bonn, organized by the German Foreign Policy Society. Setting out his view of the economic situation in the USSR, the Soviet economist stressed that it is not possible to avert a crisis in the Soviet economy. It is essential to learn how to get it under control. He pointed out the fact that the USSR would in any event go along the road of market reforms, whether the West gave its assistance or not.

Yavlinskiy on Economic Crisis, Market Reform

LD0407103791 Moscow TASS International Service in Russian 1912 GMT 3 Jul 91

[By TASS correspondent Aleksandr Semenov]

[Text] Bonn, 3 Jul (TASS)—Will well-known Soviet economist Grigoriy Yavlinskiy, one of the authors of the "Harvard program" for switching the USSR's economy onto a market track, attend the London conference of the leaders of the seven leading capitalist countries? "I am a private citizen," he said today, speaking at a seminar organized at the German Society for Foreign Policy. "Therefore, I shall go to London only if Gorbachev takes our program there with him, and, of course, if he invites me. Otherwise, there will be nothing for me to do there."

Setting out his view of the economic situation in the USSR, the Soviet economist emphasized that it is impossible to aver ta crisis in the Soviet Union's economy. It is necessary to learn how to bring it under control. He pointed out that the Soviet Union will embark on the path of market reforms, whatever happens, regardless of whether the West gives it assistance or not. Yavlinskiy noted here that the integration of the Soviet economy into the world economy is in the interests of the Western democratic states. In his opinion, the sooner they start assisting the USSR, the less it will cost them.

"The aim of our tour is to acquaint everybody with the work that we have done," Yavlinskiy said in a brief conversation with your TASS correspondent. "The FRG is the second country we have visited. The first was Italy, where we met the foreign minister."

As your TASS correspondent was told at the FRG Foreign Ministry G. Yavlinskiy's meeting with Foreign Minister Hans-Dietrich Genscher, which was planned for today, did not take place because of Genscher's heavy workload in connection with events in Yugoslavia. instead, he had a talk with Lautenschlager, state secretary in the Foreign Ministry.

Details of Chevron-Tengiz Deal Examined

91UF0926A Moscow ARGUMENTY I FAKTY in Russian No 25, Jun 91 pp 1, 4

[Interview with M. Surdukov, associate of the Institute of World Economy and International Relations of the USSR Academy of Sciences, by ARGUMENTY I FAKTY correspondent A. Uglanov, place and date not given: "Billions From the Steppes of Kazakhstan"]

[Text] **Several years ago it was solemnly announced that a contract between the American consortium Chevron and the USSR for the joint use of the Tengiz Oil Field (Kazakhstan) was being prepared. This step is called upon to symbolize warmer relations between the two nuclear superpowers. However, recently, when work on the details of the contract began, data on the bewildering details of the contract began to leak. In particular, given our investment in Tengiz, amounting to $850 million, and $20 million initially offered by Chevron, the Americans were guaranteed 50 percent of the net profits. Our correspondent A. Uglanov discussed the terms of the transaction with M. Surdukov, associate of the Institute of World Economy and International Relations of the USSR Academy of Sciences.**

[Uglanov] It is known that our country badly needs money, and as soon as possible. Under the circumstances, would it be proper to say that Chevron's planned net profit, 50 percent, is excessive? After all, whatever you might say, a bird in the hand is worth two in the bush.

[Surdukov] In terms of its reserves, Tengiz is one of the five largest oil deposits in the world. The explored reserves may only go up because they have not drilled all the way to the lower boundary of the oil-bearing strata. It is absurd to make this deposit available on the terms of splitting the final profits 50 percent to 50 percent. This did not exist even in the Near East in the 1960's; it was 60 percent to 40 percent in favor of Arab countries. In the 1970's the ratio changed to 80 percent to 20 percent. At present, the share of profits of these countries is on the order of 90 percent.

[Uglanov] However, the conditions for producing oil in the Near East are much simpler than in Kazakhstan. What efforts will Chevron make?

[Surdukov] As far as I know, dollar-denominated investments on top of those already made, are estimated to be approximately $1.5 billion.

[Uglanov] However, it is quite likely that Western bankers who invest funds here will need a guarantee in the form of the presence of a large corporation with its technological expertise. Perhaps the Chevron trademark on the oil of the Tengiz oil field is precisely what costs a lot?

[Surdukov] Proceeding from the fact that the plan is to actually sign the contract for 40 years, we may find ourselves in the same situation in which a number of Near Eastern countries ended up. For a number of years they were forced to pay five percent of the profits to the heirs of the oil tycoon Gulbekian under a contract signed a long time ago.

[Uglanov] There is food for thought here. However, given a shortage of refinery products in our country, how can we fail to take into account the factor of Tengiz oil beginning to make a weighty contribution? Tractors and machinery need diesel fuel and gasoline first of all, rather than money, if it happens to be dollars.

[Surdukov] However, all oil produced in Tengiz is earmarked for export. In the process, Kazakh oil will be delivered to the refineries of the Union for internal consumption. The oil of Tyumen, Bashkiria, and other oil fields will go to the West with the Chevron brand.

[Uglanov] There is nothing unusual about it. In the situation in which our country finds itself, getting an opportunity to buy even the most necessary things is a success in itself.

[Surdukov] You are right to a degree, but let us make calculations. According to most conservative calculations, the reserves of Tengiz are 2 billion tons. Provided that 50 percent are extracted, 1 billion tons of oil will be produced, at current prices for about $100 billion. Given a three percent rate of inflation in the period of working the oil field, the cost of oil produced in current dollars will increase by a factor of two on the average, to $200 billion. In addition, the protocol of the contract makes no provision for an increase in our share of the profit in the event reserves increase as a result of geological prospecting, despite the fact that such linkage is standard in oil production.

[Uglanov] However, oil prices may drop abruptly. Taking this factor into account, Chevron is, after all, taking a risk by investing $1.5 billion.

[Surdukov] For this project, the price of oil is fixed once and for all. Its current price in the world market is $18 per barrel (159 liters). There is only one projection which says that this price will not change for 25 years—this is Chevron's own projection. The U.S. Department of Energy forecasts the growth of world prices for oil to between $35 and $47 by the year 2010. European analysts predict the doubling of prices by the year 2000.

[Uglanov] Let us assume that Chevron is right, and the price for oil remains at $18.

[Surdukov] An arrangement for profit-sharing depending on the growth of prices should be included in the agreement anyway. At $18, 50 percent to 50 percent; at $36, for example, 30 percent to 70 percent, and so on. Why is this not the case?

[Uglanov] Could it be that at present it is politically advantageous to show other Western companies that the USSR is a reliable partner, even at the price of losing billions?

[Surdukov] Indeed, many people reason like this: If we now push Chevron away nobody will come to us anymore. However, all the outward unity of the Western countries with regard to us notwithstanding, they continue to compete among themselves. As soon as a protocol of intentions on Tengiz was signed, the Europeans put forth "the Lubbers plan" for cooperation with the USSR on energy. The West Europeans were afraid that the Americans, who have taken dominant positions throughout the world anyway, from Venezuela to the Near East and Malaysia, will wedge themselves in as middlemen in oil trade between the USSR and Europe.

Therefore, on the other hand, by playing into Chevron's hands, we prompt Western Europe, our neighbor, to take a guarded look at us. On the other hand, they will seek equally advantageous terms from us. What are we left to do?

EDITORIAL NOTE. This item cannot in any way be viewed as directed against the American consortium Chevron. Everybody defends his own interests, and that is only natural. However, whose interests do Soviet officials, who have conducted negotiations and have prepared the transaction for signing, advocate?

Why have provisions that are entered in all similar contracts not been envisaged here? Why are amounts guaranteed to the Americans which exceed the maximum permissible common-sense standards? Or is it that the amounts are not meant for the Americans only? Why is the KGB silent, as well as the party press, which quite recently inflated the "case" of 140 billion?

There are no answers to these questions, but rumors have already appeared, and the most fantastic rumors at that. The first explanation—the incompetence of our officials—is the simplest. Other versions are about the existence of secret accounts in Western banks into which a segment of the fabulous amounts will allegedly be siphoned. In one scenario, these are party accounts; in another scenario, the accounts of those who are preparing the deal; in yet another scenario, they are for financing individuals repatriated to Israel from the USSR.

There are many questions and rumors; this is why it is necessary to demand answers from the government, since other plans are also ripening in the calm of "offices"—in particular, the development of the largest gas field on the shelf of the Barents Sea.

As far as the contract with Chevron is concerned, there is a simple mechanism which makes it possible to clarify everything—administering an independent international expert review of the Tengiz project. This will clear the air, and will provide answers to the questions raised in our material.

Defense Conversion Tied to Moscow Reconstruction

LD0407193791 Moscow TASS International Service in Russian 1055 GMT 4 Jul 91

[TASS Correspondent Igor Agabekov]

[Text] Moscow 4 Jul—How to resolve the numerous problems of the Soviet capital and what the defense enterprises could do toward this was the topic of a meeting of the capital's leaders with representatives of the defense enterprises of Moscow and its oblast, held in the Moscow city soviet today.

Opening the meeting, Yuriy Maslyukov, deputy USSR prime minister, noted that conditions in the capital are different from those in other cities of the Soviet Union. He called on those taking part in the meeting to offer their solutions to the city's problems in the context of conversion, in order to assist the capital and the oblast in overcoming the existing difficulties.

Yuriy Luzhkov, vice mayor of the capital, sketched out in his report 20 basic areas to which, in his view, the defense enterprises should devote their primary attention, and which fit in with the work profile of those enterprises. Among these he named the formation of construction complexes, ecology, agriculture, the complete reconstruction of bakeries, at which equipment from 1936 is still in use, the supply of clean, ozone treated water to the city, computerization, and the resolution of other major problems.

According to the vice mayor, the situation in Moscow is getting worse by the day, and the defense enterprises, by consolidating their efforts, could make their contribution to ensuring stability in the city. We will not solve the problems facing the capital and the oblast unless we use high technology equipment and processes, which are mainly concentrated in the defense complex, and make use of the experience of these enterprises. He dwelled in particular on the problems of comunications in the city, which, he stressed, "the whole world rejected a long time ago. Communications facilities are limited to speech links only. There are virtually no other forms of communications".

Yuriy Luzhkov observed that every year the city loses 15 percent of its heating and about 15 percent of its water because of poor fittings. If this problem were solved, he indicated, there would be no question of building new reservoirs around the capital. The same goes for refrigerator equipment: because of shortcomings in refrigeration, food is lost, and hence the possibilities for supply to the population are reduced.

The vice mayor said that about 500 million rubles a year will be needed to resolve these and other problems, and that this should be allocated by the Russian and Union governments.

Agricultural

Pavlov Remarks on Agriculture Reported

PM0407214591 Moscow SELSKAYA ZHIZN in Russian 5 Jul 91 p 2

[Report by V. Raskin: "Let Us Not Repeat Past Mistakes"]

[Text] The USSR Cabinet of Ministers was set up six months ago. On 3 July USSR Prime Minister Valentin Sergeyevich Pavlov held his first press conference with Soviet and foreign journalists in the new government building on Pushkin Street.

The theme of the press conference was very topical. What is happening in the economy, what is the state of affairs in agriculture, what measures are being taken to stabilize the situation? First of all the government head was asked to comment on what he had said about the slowing pace of the decline in production.

The prime minister confirmed that since April the level of production has actually stabilized somewhat...

Our readers will be interested to know that in the March-April period production of such scarce goods as televisions, refrigerators, washing machines, and some light industry products (textiles, footwear) reached the level of 90 percent of last year's production volumes. The prime minister was even more optimistic when he said that in the very near future the aforementioned indicator could rise to 96-98 percent. In the second quarter trade commodity stocks increased by 10 billion rubles [R].

"But in order to get out of the crisis," V.S. Pavlov said, "we need to concentrate above all on this year's harvest. A number of regions of the country are in a drought situation. Naturally, the immediate task is to accelerate the preparation of farms for harvest work. The mistakes of the past are impermissible."

At the press conference V.S. Pavlov repeatedly stressed that if we want to have food this year we have to concentrate efforts on the processing of agricultural products and creation of facilities for the production of packaging. This could contribute substantially to preserving what we have grown. The government will actively involve the Army in the harvest campaign. Trucks are ready to collect the harvest. But the big problem is getting the requisite number of drivers to the countryside. And it is here that the city must be aware of the need to assist the countryside.

The question was asked: What kind of grain harvest do you expect? The forecasts are that a harvest of 205-217 million tonnes is ripening in the fields. The main thing is to get the entire gross harvest in the barns without losses. Will there have to be purchases from abroad? Yes, clearly they are unavoidable. But, on that topic, the government head observed that we need not so much wheat as soybeans, protein crops. The level of purchases abroad is being decided today, in the course of feed procurement. If we have feed, we will need to buy less from the West. The problem of feed stocks is enormously important.

During the spring field work this year rural workers have been absolutely heroic, the prime minister said. Some 25 percent more work was done than last year. For its part, the government has done all it can to provide the countryside with material and technical rsources. On behalf of SELSKAYA ZHIZN reeaders I asked Valentin Sergeyevich to say precisely what he meant when he was talking about providing the countryside with material and technical resources. Indeed, news from the provinces and letters from our readers show that kolkhoz and sovkhoz collectives and peasant farms have had big problems with equipment and spare parts. Here is what V.S. Pavlov said in response to this question:

"The countryside was sent an extra million and more tonnes of gasoline and allocated diesel fuel resources as a result of redistribution within the country. All the measures that were taken enabled rural workers to sow grain and plant vegetables on 115 million hectares. There were three sowings of cotton in some republics."

The prime minister expressed the hope that there would be no problem with potatoes in the country this year. Our conversation concluded with some figures. Around 50 million tonnes of potatoes are grown in the country, but the state procures 5-6-8 million tonnes [figures as published]. This indicates that people are procuring potatoes themselves. The plots of land allocated to citizens are a big help in this respect.

Pavlov Clarifies Statement

OW0407045091 Moscow INTERFAX in English 1900 GMT 3 Jul 91

[Text] The head of the Soviet cabinet, Mr. Valentin Pavlov, speaking at a news conference in Moscow on Wednesday, has clarified his previous statement saying this year's expected harvest of 180m- 190m tons may raise the need for imports of further 77m tons of grain.

Mr. Pavlov said the figure of 190m tons related to the volume of cereals taken in and processed, but not to millet, rye or wheat separately. If enough hay is procured or enough soya beans and fodder are imported, he said, there'll be no need for grain imports.

On prices, Mr. Pavlov said administrative price rises were no longer on the agenda. Instead, his government is now calling for liberalising prices for essentials and foodstuffs.

The prime minister described the country's economic performance as reaching a mobile equilibrium speaking of a 6 percent production slump instead of 20 percent to 30 percent as predicted. In his words, the volume of production has shown no sign of shrinking.

However, it is early days yet, he said, to speak of the production slump being sorted out. Mr. Pavlov said the light industry and farming sector would help bring about a reversal.

Harvest Figures 'Just Over Half' Last Year's

PM0407174791 Moscow SELSKAYA ZHIZN in Russian 5 Jul 91 p 1

["USSR State Committee for Statistics" report by L. Vashchukov, chief of the USSR State Committee for Statistics Agro-Industrial Complex Statistics Administration: "Let Us Not Lose the Harvest"]

[Text] The amount of harvest work is increasing each day. Feed procurement and haymaking are in progress in all regions of the country; many farms have started harvesting grain and are gathering vegetables, fruit, and berries. But they have to keep pace. The newspapers are already sounding the alarm: There is a shortage of the requisite equipment and transport, there are no spare parts, and packaging is nonexistent. Even under these conditions, however, the majority of rural workers are seeking to carry out all field work in good time.

Many farms in the Ukraine and RSFSR [Russian Soviet Federated Socialist Republic] and in our southern republics are harvesting grain. The protracted spring affected the ripening times and the start of the harvest. By 1 July some 1.6 million hectares of cereals had been cut, and a little over 1.2 million hectares had been threshed. This is just over half of what had been harvested by the start of last July. Farms in Azerbaijan and Turkmenia are the exception; the harvest there is proceeding more quickly. The first threshing results are disappointing. In many regions they are lower than last year. The price of each ear will increase dramatically there. Under these conditions, it is very important to prevent any possible grain losses.

It is hot, both literally and figuratively, in the meadows. Haymaking is in full swing. But there are many problems here, too. Every year at this time it turns out that kolkhozes, sovkhozes, interfarm and other agricultural enterprises are losing millions of tonnes of feed because they are not paying due attention to natural feed land, where the yield is still extremely low at 6.2 quintals per hectare.

The feed production and procurement situation is showing no signs of improvement. In the first place, because of high temperatures the grass harvest in the eastern part of the country is much worse than last year. In the European part of the country the natural and climatic conditions are better, but the pace of work is being slowed by a lack of essential material and technical resources, a reduction in supplies of them to the countryside, and a sharp increase in prices. By 1 July some 24.7 million hectares of grass had been cut, which is 95 percent of last year's level. Some 15.8 million tonnes of hay have been procured, which is a 7-percent reduction from last year; haylage procurement was 25.1 million tonnes, which is a 10-percent reduction.

On the country's kolkhozes and sovkhozes, on 1 July, 7 percent less feed per standard head of livestock had been laid in than last year. The state of affairs in meadows on Armenian, Latvian, Lithuanian, Estonian, and Georgian farms is particularly worrying. In Armenia they have cut only 6,000 hectares of grass, compared with 47,000 by the same date in 1990; while the figures for Estonia are 58,000 compared with 178,000; Latvia, 90,000 compared with 234,000; Lithuania, 300,000 compared with 716,000; and Georgia, 18,000 compared with 42,000. They are behind with haymaking in Belorussia, the Ukraine, Kirghizia, Tajikistan, and Turkmenistan.

In many places the grass is as tall as a man and it is high time it was harvested. But often you find the meadows ominously silent. Let us not lose the harvest!

June Crop Status, Weather Situation Detailed

PM0507095791 Moscow SELSKAYA ZHIZN in Russian 5 Jul 91 p 3

[Agrometeorologist I. Ignatova report: "Weather and Crops"]

[Text] Unusually hot weather persisted during the last 10-day period in June over the majority of the country's European territory. On some days the maximum air temperature reached 35 degrees. The temperature in the south of the Volga-Vyatka and Ural regions, in the Volga region, and in the east of the Central Chernozem and the northeastern half of the North Caucasus region was 36-42 degrees, which is close to the absolute maximum

June temperature, and in some places somewhat exceeded this maximum. Consequently the development of agricultural crops here has accelerated by one or two weeks.

Winter grain crops in the North Caucasus and in the Volga region (to the south of Volgograd) reached full ripeness and in the south of the Ukraine and Moldova and in the south of the Ural region they reached the waxy ripeness stage. As for the western half of the European territory, the warm wet weather here created favorable conditions for the formation of the harvest, primarily the winter crops. The wheat is roughly 1.5 meters high. Ears have a good grain content. Torrential rain accompanied by hail and squally winds in the Baltic republics and eastern Belorussia increased the area of lodged crops, particularly tall rye.

Unfavorable conditions for the formation of the early spring grain crop harvest persisted in the southern half of the Ural region and in the trans-Volga regions of Volgograd and Saratov Oblasts, where, the unusually hot weather notwithstanding, there was no rain—or no more than 5-10 mm. The topsoil has a poor moisture content, and in some places is completely dry. The spring crops are thinned out and stunted, and small ears are forming. Intensive hot dry winds were recorded here for three to seven days.

Sugar beets have done well in Moldova, the Ukraine, parts of Krasnodar and Stavropol Krays, in Belorussia, the Baltics, and the south of Belgorod and Voronezh Oblasts. According to initial estimates the root crop weighs from 50-200 grams.

The soil temperature at potato tuber formation depth rose to 25-30 degrees in the Central Chernozem, Central, Volga-Vyatka, Volga, and Ural economic regions. These conditions are unfavorable for the formation of the harvest.

The harvesting of first-cut grass crops—and, in the extreme south, of the aftermath—continued. The work was complicated in the western sector by heavy rains, although the grasses here grew intensively after the first cut. But the pastures burned in the Volga and Ural regions.

Mainly cool, rainy weather persisted in the agricultural zone of West Siberia. It was only in Tyumen and Omsk Oblasts and the northwest half of Kazakhstan that hot weather once again set in. Supplies of moisture in the soil continued to be insufficient and poor. The state of the early spring grain crops here is only satisfactory, while in individual regions it is poor.

Cool weather prevailed in the Central Asian republics (apart from western areas of Turkmenia) and in the south of Kazakhstan. It was predominantly dry, but in individual regions of the republics there were heavy rains accompanied in places by hail which damaged cotton plants in some fields in Dzhizak and Andizhan Oblasts. The reduced temperature and overcast weather slowed plant growth and facilitated the spread agricultural pests and diseases.

More on Harvest Situation

914B0206A Moscow SELSKAYA ZHIZN in Russian 28 Jun 91 p 1

[Article by Yu. Zhivilin under the rubric "USSR Goskomstat Reports": "The Hay Harvest—Peak Time"]

[Text] June is ending, the month when, perhaps, all types of field labors coincide on the enormous expanses of our country. In the first 10-day period, as a rule, sowing comes to an end and care for the crops and processing of the fallow land is in full swing; then the pace of the hay harvest increases with each day, and after that comes the harvest of the grain crops. True, this year this schedule has shifted somewhat in time—because of an incessantly rainy spring and because of interruptions in material and technical supply. The sowing of spring crops was completed somewhat later than usual. The kolkhozes, sovkhozes, and interfarm enterprises have sown about 73 million hectares worth of spring grain and leguminous crops (excluding corn). This is a little more than for last year.

It is impossible not to note the following circumstance: Less cotton, sugar beet, and sunflower was sown. Less area was cultivated with potatoes and vegetables (20 and nine percent less respectively). In 1991 more area was planted by citizens for individual gardens. The proportion of potatoes and vegetables in the crops of peasant (private) farms is also significant.

Currently in the majority of the regions the countryside is undergoing the second concern of the summer—laying-in of forage is underway. How important it is at this time to take into account the mistakes of last year! Why put the issue this way? Because one of the chief reasons for a decline in the pace of the growth of production of livestock production these days has been the insufficient production of coarse and succulent fodders and the low productivity of sown and natural fodder fields. Nor is everything well with the fodder field these days. The agricultural and meteorological conditions for this year testify that one should not count on a lush stand of grass in some regions or on an abundant stand of grass in others.

And now several figures. By 24 June 16.7 million hectares of grass had been cut. Nine million tons of hay and 17 million tons of haylage have been laid in.

There have been gratifying results wherever people have done their work steadily and made use of forage harvesting equipment and equipment for forced ventilation. This has been the experience, for example, on many of Bashkiria's farms. But there are also other reports from the localities. They say that many farms are late with harvest work in the meadows and that equipment is being used inefficiently. Citydwellers are often ignoring the rulings of the authorities concerning their participation in the harvesting of the hay.

It remains to be added that in the south the farms are beginning the harvesting of grains. In short, the country is on the brink of a mass harvest.

Latvian Premier on Impact of Poor Harvest

OW0407120791 Moscow BALTFAX in English 1130 GMT 3 Jul 91

[Transmitted via KYODO]

[Text] Latvia's Prime Minister, Ivars Godmanis, has said in an interview to Radio Riga that he had no chance to see either President Mikhail Gorbachev or Prime Minister Valentin Pavlov in Moscow on July 2. Godmanis said that he had been present at a meeting of leaders of the republics on that day, at which economic problems were discussed.

Godmanis said that he had got the impression at the meeting that the economic situation both in the Soviet Union as a whole and in Latvia in particular was going to deteriorate. He drew this conclusion from Pavlov's forecast that this year the grain harvest in the Soviet Union is going to be fairly poor. Latvia, he said, was very dependent on grain deliveries from the USSR. Its stock breeding entirely depended on imported fodder.

Godmanis beliveves that, if milk and meat production in the republic is to be cut down, Latvia's deliveries of these products to the Soviet Union will fall accordingly. This will, in turn, lead to a fall in the deliveries of raw materials and industrial components to Latvia, he thinks.

Denmark, Baltics To Cooperate in Agriculture

LD0207221591 Moscow TASS International Service in Russian 1545 GMT 2 Jul 91

[Text] Riga, 2 Jul (TASS)—Denmark has become a partner of the agrarians of Latvia, Lithuanian, and Estonia. This is the result of a meeting in Riga today between the agricultural ministers of the Baltic republics and the Kingdom of Denmark. In a joint agreement between the ministries of agriculture of Lithuania, Latvia, Estonia, and Denmark, the broadest cooperation in various spheres of agriculture and the food industry has been mapped out, LETA agency correspondent Natalya Ivanova has reported.

This document opens up virtually unlimited possibilities for economic, scientific-technical, and industrial activity between the four sides. These include mutual assistance in concluding barter and reciprocal deals, in setting up cooperative production facilities and joint enterprises, and other forms of economic and financial cooperation. In order that this agreement "works" effectively, it has been decided to also conclude separate agreements between the Danish Ministry of Agriculture and the ministries of each of the Baltic republics. The first such agreement—one between Latvia and Denmark— has already been concluded.

Impact of Weather on Farming Areas Viewed

PM0207105391 Moscow PRAVDA in Russian 27 Jun 91 Second Edition p 1

[A. Klimenko report under the rubric "Peasants' Concerns": "Drought Is No Joke"]

[Text] Our view of the harvest has been undergoing a strange change. In the spring people were predicting a bumper harvest. A little later the forecast was for a good harvest. Now, it seems, people are agreed that the harvest will be average. I phoned my friends at the Krasnozerskiy Rayon Center in Novosibirsk Oblast.

"We're on fire," was the answer. "In the 40-degree heat the sandy soil of our Kulundinskaya Steppe is just like a brazier. Anyone who lost an hour in the spring will now need more than a year to make it up."

PRAVDA correspondent Yu. Shpakov reports from Omsk:

"'At last!' That exclamation was probably to be heard on the lips of hundreds of thousands of the oblast's residents when the first rains fell on the parched land.

"Of course, some people will say that the only reason things have improved is that the weather partially relented at the end of June. However, there is no doubt that A. Lavrinenko, chief of the oblast agro-industrial complex crop farming food production and processing department, was also right when he stressed: 'The tactics we chose for spring field work have been entirely justified. Every measure was taken to preserve the scanty soil moisture reserves. The sowing was conducted as late as possible. This helped to save the young shoots.'"

I phoned Chelyabinsk. My longstanding friend and fellow-journalist G. Saitov's voice was exultant:

"I just want to shout: I love storms at the end of June! Finally we've had some rain. We'd thought we were done for. The dry spell during the sowing period had gotten us down. But the 'cloudburst' has made us happier and hopeful..."

Unfortunately, we also have to mention the other, negative, sense of the word "storm."

Our correspondent S. Ryabov from Sverdlovsk:

"This is quite literally a hot time for the harvest. This year there have already been over 6,000 fires—60 percent more than in all of 1990. A. Panteleyev, chief of the Sverdlovsk Oblispolkom [Oblast Soviet Executive Committee] Internal Affairs Administration, noted that the fires had done more than 7 million rubles' worth of damage. Fires have destroyed one-third more grain and 44.4 percent more equipment than last year. These losses, Anatoliy Fedorovich believes, would have been far smaller, if the enterprises, institutes, cities, and rayons had not cut back on their fire service."

Yes, a drought is no joke. Fortunately, the grain has been ripening in southern and central regions. And, of course, people can help out those who are in trouble. Most of our people's natural reaction is to rally round and help out. But there have been too many shortcomings this year to lightheartedly wait for food to be put before you on a blue-bordered plate.

Military

Yazov Addresses All-Army Komsomol Conference

PM0407132591 Moscow KRASNAYA ZVEZDA in Russian 2 Jul 91 First Edition p 1

[Lieutenant Colonel A. Kovalev and Captain V. Popov report: "At the First All-Army Komsomol [All-Union Leninist Communist Youth League] Conference. We Have To Fight for Our Young People"]

[Text] Marshal of the Soviet Union D.T. Yazov, the USSR Minister of Defense, spoke to delegates at the First All-Army Komsomol [All-Union Leninist Communist Youth League] Conference 28 June.

Having noted that the conference had met at a difficult time—a time of radical, at times painful, changes in our country and throughout the world, and of profound transformations in the Armed Forces, he emphasized: The most important thing now is the single-minded, systematic, and effective ideological and political education of young people. It is clear that this education can be effective if it is oriented towards specific people, with their needs, troubles, sadnesses, and joys, their virtues, and shortcomings.

And here, D.T. Yazov reminded us, we should take as our starting point the fact that today there is a struggle going on for our young people. Destructive national-separatist, and other forces have no scruples about using any means in the struggle. Lies, slander, forgery, falsification, bribery, alcohol, and narcotics are becoming widespread. High moral principles are being broken down, and established standards are being replaced. Immediate and highly vigorous campaigning work is needed. Such work as was called real Komsomol work in the 1920's and during the Great Patriotic War.

The defense minister described the introduction of young soldiers to the traditions of soldierly friendship and military comradeship as a matter which, in its content and spirit, is a purely Komsomol matter. It is in this very thing that one of the main sources of fatherland's military glory, and our Army's might and invincibility lies.

If the Komsomol helps the commanders, political workers, and party organizations to stop the bullying and mutual protectionism, and put an end to the fear that young soldiers feel toward the barrack hooligans, this will be one of its most considerable and significant deeds.

The new age throws up new tasks. One such task, which life itself presents to the Komsomol, is to raise the prestige of military service, and the military profession's—our Army's—authority.

It is necessary to effectively and convincingly demonstrate to the young people the destructive aims of the campaign to blacken the Army and military service. After all, at all times in our fatherland there has never been a more foul crime than desertion, nor a worse shame than evading military service. The Army Komsomol can set the tone in forming public opinion appropriately throughout the Union with regard to this shameful phenomenon.

It is crucial for the komsomol to ensure the continuity of patriotism from generation to generation. Here, the most significant watershed ought to be the work surrounding the 50th anniversary celebrations of the Great Patriotic War's events—from its beginning, which the country recently marked, to the Great Victory's 50th anniversary. The work has been planned and is at the moment unfolding on an ever broader scale. Marshal of the Soviet Union D.T. Yazov asked the Army and Navy Komsomol to participate in this very actively, and has proposed that it set about resolving a whole series of practical and specific tasks.

Among our people, the image of the soldier and officer as a warrior and defender of the fatherland, was always associated with such moral characteristics as duty and honor. I would like, the defense minister emphasized in conclusion, that these characteristics became the working motto for all the activities of the USSR Armed Forces Komsomol.

Baltic Republics

No Possibility of Latvia Signing Union Treaty

LD0307175891 Riga Radio Riga Network in Latvian 1730 GMT 2 Jul 91

[Text] Andrejs Krastins, deputy chairman of the Supreme Council of the Republic of Latvia, has commented as follows on what was published in the newspaper IZVESTIYA: The article published in IZVESTIYA on 1 July, "The Union treaty" reported the efforts to reach agreement, in which there was comment on the discussion of the Union treaty in the committees and commissions of the USSR Supreme Soviet. This article pointed out that the Baltic representatives had made statements in favor of signing such a treaty. In this connection it is necessary to recall that in the Supreme Soviet of the USSR there are no representatives of the Republic of Latvia and no representative elected from the territory of Latvia is entitled, without special authority, to represent the interests of the Republic of Latvia. No such authority has been given to any USSR deputy. Therefore, if any USSR deputy elected from the territory of the Republic of Latvia has expressed his views on the union treaty, then such statements are to be regarded at the personal views of that person. The Republic of Latvia is an independent state and its supreme institutions of state power have repeatedly and unvaryingly refuted any possibility of signing any treaty with the Soviet Union and its united republics.

Latvian Official on Treaty

OW0407131091 Moscow BALTFAX in English 1130 GMT 3 Jul 91

[Transmitted via KYODO]

[Text] The Deputy Chairman of the Supreme Council of Latvia, Andrejs Krastins, made a statement yesterday in connection with an article published in Izvestiya on July 1 under the heading "The Union Treaty—Another Attempt to Come to Terms", which comments on the discussion of the future Union treaty in the relevant committees and commissions of the Supreme Soviet of the USSR. Among other things, the article claims that Baltic representatives said their republics were in favour of such a treaty.

Krastins reminded that there are no representatives from the Latvian Republic in the Supreme Soviet of the USSR, and that none of the USSR deputies elected on Latvian territory is entitled to represent the interests of the Latvian Republic. None of the USSR deputies have been vested with any such powers. So whatever any of them has to say on the Union treaty is simply to be regarded as his personal opinion.

The Latvian Republic is an independent state, and its authorities have repeatedly and relentlessly rejected any possibility of its participation in a Union treaty with the Soviet Union as a whole or with any of its individual republics, said Krastins.

Next Latvian-USSR Talks Set for 4-5 July

LD0307114891 Moscow TASS in English 1124 GMT 3 Jul 91

[By TASS correspondent Galina Kuchina]

[Text] Riga July 3 TASS— A consultative meeting, scheduled for July 4-5, between delegations of Latvia and the USSR will be a third one. The dialogue between them was launched in Moscow in April, then continued in Jurmala in June and has come to Moscow again.

There are two items on the agenda—the status of the republic and human rights, Janis Dinevic, deputy leader of the Latvian delegation and the leader of the parliamentary group of the Popular Front, told journalists.

Documents setting out Latvia's stand were sent to Moscow in advance. "They contain the results of the parliamentary elections and the findings of an opinion poll indicating people's support for the course towards independence," Dinevic said.

Speaking about the second item on the agenda, Dinevic supposed that the main emphasis would be laid on the rights of servicemen. The Lativan side also intends to continue the discussion, which was not completed at the previous meeting, of issues concerning the customs house and law enforcement agencies.

The Latvian delegation also brings with it a document on principles for economic relationships between the Baltics and the USSR. The document was endorsed by the Baltic Council on June 20.

Economic issues, not political ones, are now most important for Latvia, such as, for example, the stabilisation of the republican economy and its established ties, Vladimir Velichko, first deputy prime minister of the USSR and leader of the USSR delegation at the second round of the talks, told TASS.

Talks Reportedly Delayed

LD0307115491 Tallinn Radio Tallinn Network in Estonian 0900 GMT 3 Jul 91

[Text] Today's DIENA newspaper reports that the third round of consultations between the USSR and Republic of Latvia delegations, scheduled for tomorrow and the day after, for the 4-5 July, has been postponed for at least a week, at the initiative of the USSR delegation. This is reported by ETA. A representative of the USSR delegation claims that the consultations are being postponed because there is no wish to repeat the failure of the talks between the USSR and the Republic of Estonia delegations last week. For this reason, there is a wish to consult Estonia and Lithuania, the leaders of the delegations for holding talks.

TASS Reports Postponment

LD0307203591 Moscow TASS in English 2020 GMT 3 Jul 91

[By TASS correspondent Galina Kuchina]

[Text] Riga July 3 TASS—A meeting between official delegations of Latvia and the Soviet Union for settling disputable issues in bilateral relations, scheduled for Thursday, has been postponed at the request of the Soviet side, said Latvian First Deputy Prime Minister Ilmars Bisers, heading the republican delegation.

In a televised address today, Bisers said he was planning to find out the reasons for the postponement and a new date for a meeting during his personal meeting with Soviet First Deputy Prime Minister Vladimir Velichko, heading the Soviet delegation. To this end, Bisers is leaving for Moscow.

Bisers said he believed that it was only a change of the date of a meeting, rather than changes in the agenda, which included two issues—the republic's status and human rights.

Bisers Comments on Postponement

LD0407103891 Riga Radio Riga Network in Latvian 2000 GMT 3 Jul 91

[Text] As we have already announced, the USSR delegation for talks with the Republic of Latvia is not ready for the third round of the talks, which should have begun tomorrow. The refusal was received yesterday—a day before the expected departure by air of the Latvian delegation for Moscow. Our colleague Imants Austrins requested Juris Dobelis, a member of the Latvian delegation and parliamentary deputy, and Ilmars Bisers, first deputy prime minister and head of the delegation, comments on this situation.

[Begin recording] [Bisers] I would like to say that this of course creates a certain tension in the delegation's work. On previous occasions—not only once—these meetings have been - postponed. This time this news on the postponement arrived only one day before departure, when the entire delegation —more than 30 people—already had their flight tickets, when everything had been organized. This of course creates a certain kind of nervousness. I think that the situation should not be dramatized, that the USSR does not view its discontinuation or postponement of these talks as a very important matter. For the time being, there is talk about a week, according to what the USSR has said. It has substantiated this by saying that there are questions of great significance on the agenda, such as the question of the republic's precise state status in the future, and that before the discussion of this question they must have additional consultations both with USSR President Gorbachev and with Prime Minister Pavlov. They must also have consultations with the heads of the delegations discussing the corresponding questions with Estonia and Lithuania. Again the USSR, quite probably, is able to refer to extenuating circumstances, to Mr. Velichko's mission abroad, from which he returned only, well, practically on Monday.

I think that nevertheless we must continue this work and persevere with the objective we want to achieve. If we do not achieve it now, we must try to do so a week or perhaps two weeks later.

[Dobelis] The fact that such a, let us say, postponement of consultations is possible, does not, in itself, surprise any of us. We all know, where in what [word indistinct] moment we all are situated at present. All that chaos in the Soviet Union, in the economy as well as in politics, the fate of the new Union treaty, and so on. Of course, we must be ready for the possibility that things could change again at any time.

It should be said that this is already the second time we have received—let us say—a request to postpone this meeting, and this time literally right on the last day. One must look always, however, at what is good here. I think, for all that, that what is good is that they are defining their authority more precisely. They themselves now indicate that they do not have the same authority as they evidently had at the beginning. Well, this could be something that will help us to define our tactics more exactly in the future. Therefore, there are certain hopes for a meeting between Mr. Bisers and Mr. Velichko, and after that we shall think how we can develop this process further.

[Austrins] Can we compare the situation of Latvia in the talks with the USSR with that of our neighbors the Lithuanians and Estonians?

[Bisers] The talks that we are taking part in are a little better in that we have not had such sharp collisions and expressions and peremptory outbursts directed at the opposite side as we hear has been the case in the talks concerning both Lithuania and Estonia. We have always behaved one toward the other with a certain respect, and no one has felt that the other wanted to dictate on any question. Of course it is not of small importance that in the very beginning we underlined the principle of equality, and it appears that this principle of equality has been observed.

Another factor is, after all, that we succeeded in achieving and officially including on the agenda the basic question in these talks; that is, the determination of the state status of our republic. Here, especially, after the signing of the Union treaty, I think that this was a considerable step forward. Perhaps it is also precisely this circumstance which at the present does cause us to apply the brakes a little, and also demands on agreement among all the three delegations. [end recording]

This was the opinion of Juris Dobelis ad Ilmars Bisers on the talks between the delegations of the USSR and the Republic of Latvia, postponed due to the fault of the USSR, which should have started tomorrow.

Ilmars Bisers left by air for Moscow today, in order to meet USSR Delegation Head Vladimir Velichko tomorrow.

Lithuanian Premier Sends Telegram to Gorbachev

LD0507003391 Moscow TASS in English 2107 GMT 4 Jul 91

[By TASS correspondent Serafim Bykhun]

[Text] Vilnius July 4 TASS—Lithuanian Prime Minister Gediminas Vagnorius sent a telegram to Soviet President Mikhail Gorbachev, Soviet Prime Minister Valentin Pavlov and First Deputy Prime Minister Vitaliy Doguzhiev.

The telegram published by the EKHO LITVY newspaper on Thursday says that "the normalization of relations between the Soviet Union and the Lithuanian republic could be facilitated situation demands that both sides abstain, particularly this year, as [words indistinct] from adopting ill-considered [words indistinct] new political decisions by the Soviet Union and the Lithuanian republic, directly affecting the interests of both sides, should be taken in coordination. [sentence as received] We express hope that our proposals, as well as the entire draft of a bilateral trade and economic agreement, will be met by you with understanding".

Telegram to Pavlov Cited

LD0307102491 Vilnius Radio Vilnius Network in Lithuanian 1900 GMT 2 Jul 91

[Text] Lithuanian Prime Minister Gediminas Vagnorius has sent a telegram to Soviet Prime Minister Pavlov and Deputy Prime Minister Doguzhiyev.

It is noted in the telegram that the deterioration in the currency circulation system and the economic crisis point to the fact that the economic situation, both within the Soviet Union and in the Republic of Lithuania, is nearing the level of social catastrophe.

The problem is being complicated by the unstable political situation. The telegram also notes: In our estimation, the bilateral trade and economic cooperation agreement for 1991-92, the draft of which has been presented to the Soviet leadership, could aid the normalization of relations between the Soviet Union and the Republic of Lithuania.

The telegram concludes with an expression of hope that the Lithuanian proposals will be understood.

New Lithuanian Military Commanders Reported

OW0407062191 Moscow BALTFAX in English 1130 GMT 3 Jul 91

[Transmitted by KYODO]

[Text] Colonel N. Mironenko has replaced Major-General Zhitnikov as commander of the division of the USSR Ministry of the Interior stationed in Lithuania. According to the independent Lithuanian newspaper Respublika, the Ministry has confirmed the information.

Colonel Mironenko is not, however, going to command the Vilnius units of OMON [Special Purpose Militia Detachment] (riot police), which is done by Colonel Nikolay Goncharenko, who is stationed in Riga, and whose official position there is unknown, says Respublika. (Colonel Goncharenko has been appointed by the USSR Ministry of the Interior to head a group coordinating the work of the Vilnius and Riga branches of OMON—BF [BALTFAX]).

As already reported by BF, Colonel Akeksandr Garkusha has been appointed provisional commander of the Vilnius Army Garrison.

A BF correspondent has reported from Vilnius that the collection of signatures under an appeal to the USSR Minister of the Interior, Boris Pugo, started yesterday outside the building of the Vilnius city committee of the Communist Party of Lithuania, is still going on. "We are outraged by the policy of the central government," says the appeal, "which seeks to discredit and paralyse the Vilnius branch of OMON, which loyally carries out its duties in accordance with its oath. By disbanding OMON, you are depriving us of all hope."

The correspondent remarks that most of the signatories are elderly people and Communist Party veterans.

Lithuania Expresses Support for Slovenia

LD0307221191 Vilnius Radio Vilnius in English 2130 GMT 3 Jul 91

[Text] Chairman of the Lithuanian Parliamentary Commission for Foreign Affairs, Emanuelis Zingeris, has acquainted the deputies with an appeal to the Lithuanian Supreme Council issued by the parliament of Slovenia. The appeal says that Slovenia became the victim of the Yugoslav military aggression following its declaration of independence. The aim of the Yugoslav occupationist forces is to take over the state border control post in Slovenia, occupy its territory, and abolish the legally elected representatives of the Slovenian republic—the Presidency, the parliament, and the government—says the statement.

The appeal stresses that the Slovenian police units and units of territorial defense have stopped the expansion of the Yugoslav attacks. Almost all the territory of Slovenia is controlled by the Slovenian authorities.

The document also notes that the people of Slovenia are united in their try for independence and are ready to defend their freedom and democracy from military aggression.

The Lithuanian Supreme Council adopted a statement supporting Slovenia's right to self-determination. The statement expresses protests against the armed aggression launched on 27 June against the peaceful act of restoring the Republic of Slovenia.

In his interview to the Lithuanian Radio Emanuelis Zingeris, chairman of the Parliamentary Commission for Foreign Affairs, said that the juridical status of Slovenia differed from that of Lithuania. Slovenia is reestablishing its independence for the first time, while Lithuania had been an independent state for 20 pre-war years.

In spite of these differences Lithuania fully supports the Slovenian ultimate goal of freedom and independence.

Messages Exchanged

OW0407054691 Moscow BALTFAX in English 1900 GMT 3 Jul 91

[Transmitted by KYODO]

[Text] On July 3, the chairman of the Commission for Foreign Affairs of Lithuania's Supreme Council communicated to the deputies the message of Slovenia's parliament to Lithuania's parliament. The message deals with the invasion of Yugoslavia's occupation forces aimed at seizing strategic points along Slovenia's borders with other countries, occupying its territory and ousting lawfully elected authorities.

The message claims that units for territorial defense and Slovenia's police have held back the invading troops, many of whose servicemen desert to join territorial defense forces, and that the territory of the republic is almost wholly controlled by Slovenia's authorities.

The Supreme Council of Lithuania reciprocated with a statement giving support to Slovenia and protesting against the armed aggression by "the armed forces of Yugoslavia's communist regime, aimed against Slovenia's democracy and independence."

Vilnius To Mark Anniverary of TV Tower Attack

LD0507083491 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 4 Jul 91

[Text] The date 13 July is approaching. We are going to mark it as a shameful half-year anniversary of the Soviet Army's violence against the peaceful and unarmed defenders of Lithuanian television.

With regard to this occasion, today an appeal was adopted at the Supreme Council session to the states-signatories of the Paris Charter.

For half a year the mourning of the innocent victims of 13 January has been going on by those close to them, people injured on that tragic day have been suffering already for half a year, states the appeal. Meanwhile the participants in the massacre, being guarded by armored vehicles and automatic weapons, continue to devastate the radio and television buildings. The organizers and executors of the massacre feel safe [words indistinct] the procurator, instead of calling them to account, is justifying them.

The appeal stresses that the units carrying out the Soviet Union's state terrorism have for half a year been regularly rampant in Vilnius and throughout Lithuania.

We, states the document, appeal to all the states-signatories of the Paris Charter, their governments, and parliaments, asking for immediate political support, so that the use of armed force, the further increase of tension and instability be stopped, that the [word indistinct] provoked in Lithuania be prevented.

The appeal also expresses a wish to take part in [words indistinct] Moscow's meeting, which should include the Soviet Union's actions of armed coercion in Lithuania.

'Violent Activity' by OMON Continues

LD0307163491 Riga Radio Riga Network in Latvian 0430 GMT 3 Jul 91

[Text] The violent activity of the special USSR Interior Ministry units, OMON, [Special Purpose Militia Detachment] continues. On Sunday, at Rumbula marketplace, five men in civilian clothes beat up Salaspils militiamen, and after that two militiamen who went to their aid as well. Three militiamen needed hospital treatment; two pistol cartridges were [word indistinct]. Various indicators showed that the attackers were OMON men, one of whom was selling car parts at Rumbula market. The event has been reported to the USSR Interior Ministry.

Tallinn Hosts International Business Conference

OW0407062491 Moscow BALTFAX in English 1530 GMT 3 Jul 91

[Transmitted by KYODO]

[Text] An international business conference named East-West Business Relations is to open in Tallinn on Thursday, July 4.

Among its members: former U.S. national security presidential adviser Zbingniew Brzezinski, Leningrad Mayor Anatoliy Sobchak, ex-Soviet Foreign Minister and currently chairman of the Foreign Political Association Eduard Shevardnadze, representatives of the European Council and US, Soviet and Polish state institutions and companies.

Speaking on behalf of Estonia will be: President of the Republican Supreme Council Arnold Ruyuytel, President of the Bank of Estonia Rein Otsason, USSR People's Deputy Professor Mikhail Bronstein, leader of the Free Estonia movement Indrek Toome and others.

The conference will discuss Eastern Europe's geopolitical situation and prospects, East-West development, the

Gulf situation and possible scenarios for the region's political and economic development.

An exhibition on "How Technology Influences Everyday Life" will open in conjunction with the conference.

RSFSR

Russian Supreme Soviet Adopts Privatization Laws

LD0307143191 Moscow TASS in English 1410 GMT 3 Jul 91

[By TASS parliamentary correspondent Andrey Surzhanskiy]

[Text] Moscow July 3 TASS—The Russian parliament, after long and stormy discussions, today passed two important laws that are to provide the basis for a market mechanism in the republic—"On the Privatisation of State-Run and Municipal Enterprises," and "On Inscribed Privatisation Accounts and Deposits".

These legislative acts must guarantee each citizen of the republic his or her share in the privatisation of state and municipal property.

Two days earlier the Union parliament is known to have passed the fundamentals of privatisation legislation of the USSR and republics.

Both laws will become the Russian Government's levers in implementing a state privatisation programme, Petr Filippov, head of the working group for preparing the documents, told TASS.

Such a programme will be worked out for the coming three years and will determine stages and course of privatisation in the republic.

At first, small trade and service-sector enterprises will be primarily privatised (the so-called small-scale privatisation). Expert estimate is that this will amount to about 200-250 billion roubles. In all, the fixed assets to be privatised in the republic are worth about 1,200-1,500 billion roubles.

The laws that have been passed envisage privatisation through auctions, competitions and the sale of the shares of enterprises on a free market.

Discussion centred mainly on the question of granting privileges to members of work collectives in buying the shares. As a result, parliament decided that took a decision under which members of work collectives will be granted a 30 per cent discount when buying shares.

Since the purchasing power of the population is very low, provision is made to utilise a system of investment accounts. Filippov explained that deposits to these accounts will be made not at once but depending on the course of the economic reform (it was earlier suggested that 7,000 roubles be put as a lump sum to each investment account).

The Russian parliament today passed a resolution according to which the two laws will take effect from the moment they are published.

RSFSR Supreme Soviet Discusses Union Treaty

LD0507103291 Moscow All-Union Radio First Program Radio-1 Network in Russian 0900 GMT 5 Jul 91

[Report by Vladimir Perfiliyev]

[Excerpts] A joint session of the Soviet of the Republic and the Soviet of Nationalities of Russia is being held today under the chairmanship of Ruslan Imranovich Khasbulatov. Boris Nikolayevich Yeltsin, the Russian president, is taking part in the work of the session. The parliamentarians are discussing a question of extreme importance—that of the draft Union treaty. The Supreme Soviet deputies have, essentially, been given two drafts - one which Mikhail Sergeyevich Gorbachev, the country's president, sent them, and the other which was worked out by a working group of the Congress of Russian People's Deputies. [passage omitted]

Deputy Konstantinov pointed out that Russia is now undergoing a test of its political maturity, and if this treaty is not signed now, then there will be violence. At the same time, he said that Russia has existed, still exists, and will continue to exist, and political ambitions which are there should be cast aside. Deputy Shakhray expressed the opinion that the draft in the form in which it has been presented, as worked out at Novo-Ogarevo, cannot be signed because many questions have still not been resolved, in particular whether there should be a single- or two-tier tax system, who should sign the treaty, how the republican borders would operate—a great many questions. Well, Boris Nikolayevich Yeltsin said, at the very outset of the session that an agreement had been reached with the president about setting up a working group, going ahead with the signing of this treaty, and settling all questions there. We shall report later on whether this point of view will triumph at the session here. At this point I end my coverage.

[Program host Valeriy Shabanov] Thank you. But this is, I think, a very important draft law on which the debate is yet to be completed. I have a question for you. Tell me, please, will the Russian Parliament be able to get through its agenda before the Congress starts?

[Perfiliyev] The Parliament is working with a very tight schedule and I have to say that it will be working tomorrow, Saturday, which is rather rare for the Russian Parliament. I have been able to read so far that a total of eight items have been put forward. It is not yet clear how they will be debated. At the moment, tough talk is going on between the proponents and opponents of the signing of this treaty.

Silayev 3 Jul Supreme Soviet Speech

LD0407140491 Moscow Russian Television Network in Russian 1853 GMT 3 Jul 91

[Speech by Russian Soviet Federated Socialist Republic, RSFSR, Premier Ivan Silayev at RSFSR Supreme Soviet session in Moscow on 3 July—recorded]

Permit me to say a few words about this [privatization] process, which is one of the most important, one of the most serious processes connected with market relations, and which undoubtedly directly depends upon business activity, entrepeneurship, and so on. It is of significance in this sense. I would like to say a few words about how the government, any government, should of course have room for maneuver and have the possibility of refining changes, and finally, should be able to plan processes over a period of time. The first year, the second year, the final year, and so on. Thus we define them. Sometimes we refer to them as what is desireable. Ideally, we would like to have the major privatization of 50 percent, or perhaps even 70 percent of the basic enterprises at the end of the process, and I am not speaking about small-scale privatization, as this is not the point here.

Therefore, the first thing is that the setting of very strict figures in the law is not desireable. As far as I understand, this has been spoken of here, with the exception of one or two figures.

The second thing is that we are talking about demonopolization. Consequently, we have a most serious problem, which is particularly serious in the sense that we have here, giants. A significant part of production today is produced by these giants, and if, let's say, we do not break them down into smaller pieces, and to a certain extent, if we do not make them not only a little smaller, but also similar to the way that they are, so that they will be able to compete properly as physical entities within the market, then we will not improve matters by privatization, but will worsen matters. For when we speak of state direction, then here there is some sort of state responsibility and interest in checking monopolistic aspirations to a certain extent. But, finally, it is also a matter of a reorientation. We speak of the fact that we need to turn 75 into 25, and 25 into 75, which is what we have spoken of on more than one occasion from the point of view of work for consumers for the consumer market—that is, 75 percent. We need therefore to make a major change to the structure, in addition to also dismembering, fragmenting, and having competition with each other. It is also possible for us to refashion our structure of the economy, and make our group A into group B, making a three-fold alteration to the ratio.

I do not mention this fortuitously. In the process of working on this very serious and very complex law—and I see nothing terrible in the fact that it is being formulated in such an agonizingly difficult way, because we do not want to make any big mistakes—we nevertheless again turned to foreign experience, analyzing, one might say, all possible and impossible ways, ranging from the United States to Yugoslavia. Well, many know what has happened in Yugoslavia. It is terribly difficult there at present. The processes of rectifying mistakes are under way in respect of the fact that where people's enterprises were proclaimed, they saw for themselves, eventually, the danger of this, and there is movement in the reverse direction. Now they are attempting to put matters right. The processes of a large, say, ownership, if not of the entire enterprise, then of most of the shares of an enterprise by work collectives—which is alluring and very attractive—have led to a situation in the West where this has been abandoned. This has also now happened in world practise.

All this material exists and, if members of the Supreme Soviet and the Presidium, naturally, require it, it would be possible to present these documents and have them printed. They are extremely interesting, perhaps for both elaborating a final position and for adopting a civic standpoint.

Well, from this generalized data, statistics are adduced showing that if there is a people's enterprise...[changes thought] if a control package is totally...[changes thought] or rather, if some enterprise is without any control package, the property of its owners, the processes are quite the reverse. There is total monopolization, a use of resources, mainly in a consumer way, and an absence of mechanisms for developing production, not to mention attempts to create one's own system. In this case monopolization, let us say, is exacerbated. This is why I do not speak about a percentage. I merely speak about world practice. At present, world practice says that in the main, the shares, say, of a privatized enterprise belonging to a work collective hover as a rule somewhere around 5-15 percent. That is over the whole range of world practice.

We can now speak about what we are discussing today. The first thing is that we want to give the citizens of Russia—from minors to elders—a chance to be an owner of some share, to divide the main assets by the number of people. In think personally, and our government also thinks that this is a correct principle.

If we start to slip down and calculate the number of years and months of one's length of service, especially all this work, etc, then we find ourselves... [pauses, corrects himself] we will never find ourselves an objective situation here. At the same time one cannot deny that any teacher, doctor, person working in the artistic world, or any other nonproductive sphere, without spending at least a day on a production line, he, as a people's representative and a member of our society, cannot be the owner of a proportion of what has been produced by the national economy. That's why in this situation it would be unjust to put enterprises—I mean citizens working there—in a privileged position.

If one speaks of social justice, then a pensioner who had worked say 30-40 years at an enterprise, and retired on a pension, has more rights than others to have a proportion of the fixed assets of a given enterprise. It is a similar thing about an invalid who maybe never worked due to his work injury, etc. That is why I would first like to ask you to support this principle. It may be that I am now knocking at wide-open gates—it has already been tested worldwide, and that's exactly what we propose.

Indeed, if you want to introduce hard figures per enterprise—I will carry on with this subject—well, an enterprise does have a privilege, besides the fact that each of them has a proportion of the general fixed assets in the form of assets shared by the number of the population. This applies to a worker of every collective. He also has certain privileges as a member of this collective to buy out a proportion of the main assets of this collective. Undoubtedly, this is a privilege and a priority, and no one objects to it. It will be just.

As regards similar percentages—the impossibility of this approach—it is the value of fixed assets at this or other enterprise, including some enterprises that are almost bankrupt and have practically no visible fixed assets—and we have a lot of them—or a most complex enterprise with huge fixed assets, for example, of a VAZ type, or another one, some extracting works. Of course, there cannot be an absolute standard, and this indeed is injustice.

At one enterprise, there is R300,000, and at another enterprise there could be R1,500. Therefore, work at one enterprise or another should not offer a unique superiority to a worker just because he works at that enterprise. In this as well there should be the principle of social fairness.

And now, arising from this, there is the position, generally speaking, of 51 percent and over. You know, comrades, it is a most serious issue whether it should be no less than 51 percent or even up to 51 percent. Who will define and evaluate the results at the end of the year, and who will define what should be invested where is a serious issue. Here, a controlling block of actions come to the fore. And it is extremely dangerous, the fact that when there are no participants in this joint-stock company who are, let's say, some sort of enterprise or some sort of partners, including foreign partners, and when everything will belong to the respected labor collective, then here, experience shows that decisions are adopted which do not lead to the development of production, nor to the increase and growth of the amount of production. Even more so, it does not benefit the restructuring of a section of production. It is fixed where, and in what factory this enterprise does its purchasing, and further, as work progresses it will lead probably to increase, or perhaps to a rise in prices, and to an increase of production in this alone. If we earn 75 percent on group A, then this 75 percent—if you imagine that we give them everything over 51 percent—then this is how it will work. Then the state will not even be able to intervene. Even so, we intend to maintain, let's say, a regulatory role in the breaking down and reorientation toward other types of production, naturally using the forces of the economy, and so on.

Finally, there is the capital market—this will already be a part of market relations. This is why, on the one hand, I do not consider that the 10 percent which you seem to have been talking of here is correct, and the 30 percent which was spoken of originally is what should remain. That is my view. This should be worthwhile.

From the point of view, once again, of setting such strict figures as no less then 51 percent, then economically speaking, this is damaging, or it could be said that it should not be allowed.

In the final analysis, we should not forget the fact that you have approved the program on economic changes, and now, at this time, we are working on its implementation and on providing its legal guarantees. If we adopt other resolutions, then unfortunately, those who insist so firmly, and Mikhail Dimitrevich—for it is his view that he has expressed, not the view of the government—then any other resolutions here could put us in a difficult position. But these issues have been discussed in a qualified fashion. Both Boris Nikolayevich and myself participated, as well as Mikhail Dimitrevich and Krasavchenko, comrade Filippov and others, and on the whole, we reached the resolutions that have been presented to you in the report.

Therefore, I support the stance which, as far as I understand, has been adopted by comrade Krasavchenko and his committee, and in this case, I would say that this is the stance of the government.

Mikhaylov Criticizes Silayev Approach on Economy

PM0407135191 Moscow PRAVDA in Russian 4 Jul 91 Second Edition p 1

[Report from TASS-RIA Roundup under the "Today's News" rubric: "Pavlov Cabinet Unhappy With Silayev's Position"]

[Text] Pavlov's cabinet is unhappy with the position of Silayev, who addressed the RSFSR [Russian Soviet Federated Socialist Republic] on the eve of the conference of heads of government of the country's republics with the USSR president. The speech is viewed as an attempt to explain "certain disruptions" in the RSFSR national economy. This was stated by Yuriy Mikhaylov, director of the USSR Prime Minister's press service. In Mikhaylov's words, "the republic's government would like to replace the diktat of the center by its own diktat and reduce the role of producers to the minimum." The USSR premier's press secretary bases that conclusion on the view that the RSFSR Council of Ministers resolution issues direct "but very imprecise" instructions to economic organs "and enterprises are not receiving the information that they need to elaborate their own production programs." The Union cabinet, Mikhaylov explained, has rejected that approach.

Law Fixes Status of President, Vice President

PM0307140391 Moscow SOVETSKAYA ROSSIYA in Russian 2 Jul 91 First Edition p 1

[RSFSR (Russian Soviet Federated Socialist Republic) Law on the RSFSR President's Assumption of Office]

[Text] Article 1. The RSFSR president, who has been elected in accordance with the RSFSR Constitution, takes office no later than one month after the day the election results for the RSFSR presidency are officially announced.

Article 2. On taking office, the RSFSR president takes an oath before the people at a ceremonial session of the RSFSR's highest organ of state power.

After taking the oath, the RSFSR State Anthem is played.

Article 3. From the moment that they take the oath, the RSFSR president and RSFSR vice president are considered to have taken office, to have relinquished their powers as people's deputies, and to have been relieved of other duties.

Article 4. No later than 10 days from the moment the RSFSR president takes office, the RSFSR Council of Ministers relinquishes its powers to the newly elected RSFSR president. The Council of Ministers continues to perform its duties until, in accordance with RSFSR Constitution, a new RSFSR Council of Ministers is formed.

Article 5. The activities of the RSFSR president, the RSFSR vice president, and the RSFSR president's consultative organs, as well as the RSFSR president's apparatus, are financed from the RSFSR republic budget's resources, within limits which the RSFSR Supreme Soviet confirms.

Article 6. The RSFSR Supreme Soviet fixes the RSFSR president and RSFSR vice president's official salaries.

Article 7. The RSFSR president has a round seal with a representation of the RSFSR Coat of Arms and the inscription "President of the Russian Soviet Federated Socialist Republic."

Article 8. The secret service guarantees the RSFSR president, the RSFSR vice president, and their families' security.

Article 9. The RSFSR president's place of residence is the RSFSR's capital, the city of Moscow.

At places where the RSFSR president and RSFSR vice president are staying officially, the State Flag of the Russian Soviet Federated Socialist Republic is raised.

Article 10. The present Law comes into effect from the moment of its adoption.

[signed] B.N. Yeltsin, chairman of the RSFSR Supreme Soviet

Moscow, RSFSR House of Soviets

27 June 1991.

Yeltsin Hopes Democratic Reform Movement Develops

LD0407181891 Moscow Russian Television Network in Russian 1700 GMT 4 Jul 91

[From the "Vesti" newscast]

[Text] Boris Yeltsin met today with Mexican President Carlos Salinas de Gortari. The result of the meeting was an accord on direct links between Russia and Mexico. Boris Yeltsin accepted an invitation to visit Mexico. After the meeting, he answered correspondents' questions.

[Begin recording] [Reporter] Boris Nikolayevich: Russian television. You are one of a few major politicians who have not yet expressed their attitude to the Democratic Reform Movement.

[Yeltsin] My closest comrades-in-arms are there. This already says something. Well, further, we will have to see how the movement will evolve, since there are opponents of it as well as supporters. I would like it to develop, but not in any old way: If you are a CPSU member you join it, or if you are a member of another party you join it. No, not like that. If you want to participate in it, then leave the CPSU and participate in this movement; but it would be better if it were a party.

[Reporter] Your attitude to Shevardnadze's resignation from the party? This is very important.

[Yeltsin] This is everybody's personal business. I left—left the party—and that was just my own business and no one else's. Well, in my opinion, now this process will proceed quite rapidly. [end recording]

Rutskoy, Yeltsin on Forming Democratic Party

LD0407222291 Moscow Russian Television Network in Russian 2000 GMT 4 Jul 91

[Remarks by Russian Vice President Aleksandr Rutskoy on 4 July, place not given, or need for democratic party, followed by remarks by Russian President Boris Yeltsin made on 4 July following meeting in Moscow with Mexican President Salinas; from the "Vesti" newscast anchored by Aleksandr Gurnov—recorded]

[Text] [Rutskoy] You see, I have two ways of looking at this, so to speak. Why? Certainly, the establishment of a powerful and democratic party is just what is needed. That is necessary to solve our state's problems. But as for the establishment of a party as some kind of force in opposition to the CPSU, if it is seen from that perspective I disagree slightly. Ordinary CPSU members and grassroots party organizations are not to blame for the things that are being done today by the conservative wing of the Communist Party. Our position is the establishment of a democratic—and I mean democratic—Party of Communists of Russia, a party which insists on democratic reforms. We are uniting the sensible part of the Communist Party under that wing. The very aim and task of this Democratic Party of Communists of Russia is to prevent any clashes or bloodshed, come what may, and to embark on the road of political compromise. This party, the Democratic Party of Communists of Russia, will become the first parliamentary party—and I mean parliamentary. [Video shows Rutskoy talking to unidentified interviewer]

[Gurnov] You have just heard the declaration of the establishment of a new party. Moreover, as Aleksandr Rutskoy told our correspondent, his party is prepared to join the Democratic Reform Movement or become part of a democratic reform party. The establishment of a party on the basis of the declaration of the nine is precisely what many democrats are calling for. Boris Yeltsin joined them today:

[Yeltsin] I would like it to develop, so that it develops not in any old way; if you are a CPSU member, you join it, or if you are a member of another party you join it—no. If you want to participate in it, then leave the CPSU and participate in this movement. But it would be better if it were a party.

[Gurnov] Yeltsin gave that interview immediately after meeting Mexican President Salinas de Gortari. The presidents discussed joint economic projects and talked about direct Russo-Mexican ties. So, the situation in Soviet foreign policy is changing. Russia and the other republics are becoming equal parties in international relations. Gorbachev is preparing to go to London for his meeting with the G-7 leaders. This time, the republics do not intend to wait for information after the visit or for instructions from on high.

[Yeltsin] The president will not go to London until he tells our group of nine what he is going with. We shall discuss it, and then we shall decide.

Yeltsin on Issues of Novo-Ogarevo Meeting

LD0407224191 Moscow Radio Rossii Network in Russian 1900 GMT 4 Jul 91

[Excerpt] [passage omitted] Now once again on a topic that is certainly now of concern to all of us. I have in mind the fate of our union state. And so what was discussed at the latest round of the Novo-Ogarevo meeting?

[Begin recording] [Boris Yeltsin] The issue of the Union treaty and how discussion of the union treaty is proceeding in the supreme soviets, especially since this issue will be discussed by us tomorrow—that is what the discussion was about.

[Reporter] Were many issues raised?

[Yeltsin] Five issues were raised by Russia. I think that there may be fewer tomorrow, but the Supreme Soviet will take—you know, I cannot yet speak on behalf of the Supreme Soviet. I am speaking as a member of the preparatory committee, the chairman of the Supreme Soviet and indeed as the president of Russia. However, tomorrow the Supreme Soviet will take the matter to decide. This is very inmportant because everyone is precisely awaiting Russia's decision. I think that nevertheless some of these issues will be reflected. One of the main issues which is encountering, I would say, the fiercest non-agreement by the various sides is the question of a single or dual-tier system of taxation. The Ukraine and ourselves favor a single-tier tax system and others like, say, Gorbachev favor a dual-tier system. Perhaps the most serious debate tomorrow will be about this issue. [end recording]

Yeltsin Meets 'Siberian Accord' Leadership

PM0307162791 Moscow ROSSIYSKAYA GAZETA in Russian 2 Jul 91 p 1

[Special correspondent Vyacheslav Dolganov report from Novosibirsk: "The 'Siberian Accord' Benefits All"]

[Text] It was barely light when the aircraft landed. However, quite a few inhabitants of Novosibirsk had traveled the more than 40 km to the airport to welcome B. Yeltsin, chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet, elected first Russian president. Those who arrived had a brief rest. Boris Nikolayevich started his working day 1 July with a tour of the city where, as is the tradition, he was cordially greeted by people lining the whole route along which the motorcade passed.

The first stop was the monument to the Glory of Siberian Servicemen. The names cast in bronze of 30,000 Novosibirsk inhabitants who had given their lives for the Fatherland during the last war. To honor their memory and the memory of millions of other Soviet people who fell in the struggle against fascism, Boris Nikolayevich laid flowers at the Eternal Flame.

Now to the main event of the day, and probably of the Russian leader's entire tour, which is a direct continuation of his work on the eve of the presidential election. ROSSIYSKAYA GAZETA readers are already familiar with reports from Murmansk, Severomorsk, Petrozavodsk, Tula, Voronezh, and other cities which Yeltsin visited in late May and early June, and no doubt remember that during these trips economic cooperation associations were established—the "Bolshaya Volga" Association, the Central Chernozem Region of Russia Association, and the "Urals Economic Association." In Novosibirsk there is no need to establish such an association from scratch. It is already functioning under the title "Siberian Accord" and has managed, since October of last year, to exert considerable influence on the economic life of the region and also of Altay and Krasnoyarsk Kray, Kemerovo, Novosibirsk, Omsk, Tomsk, Tyumen, Irkutsk, and Chita Oblasts, the Gorno-Altaysk republic, Khakassia, Buryatia, and Tuva, and the Aginskiy Buryatskiy, Ust-Ordynskiy Buryatskiy, Taymyrskiy, and Evenkskiy Okrugs, which are part of the association.

However, what the association needs now are new rights and, most important, a precise legislative basis for its activities enabling it, more independently than before, to dispose of its resources and of the output of enterprises located on the territory of this vast region. What is more, the situation here is very, very complex. It is difficult to switch the hypertrophied defense industry to different output, and the funds for conversion, just as for many other things, are lacking. The intellectual potential of the Siberian Branch of the USSR Academy of Sciences is not being fully utilized. The local leadership has rightly noted that the practical work of the Union and Russian parliaments shows that little attention is being paid to Siberia's special conditions in the elaboration of new laws...

Generally speaking, there are more than enough problems. In order to resolve them in conditions of the transition to the market and to enable the 17 territories which form the association to provide social protection for people and avoid recourse to "shock therapy," a draft directive of the chairman of the Russian Supreme Soviet titled "Questions Concerning the Activities of the Interregional 'Siberian Accord' Association" was discussed at a conference of leaders of all the aforementioned krays, oblasts, republics, and okrugs. The document was presented by B. Yeltsin and Yu. Skokov, first deputy chairman of the republic Council of Ministers and economic adviser to the head of the Russian parliament.

What has this directive (it was signed after the conclusion of the debate) to offer Siberia and the Siberians? First, until relevant RSFSR laws are adopted, all the association's members themselves determine the procedure and size of payments for the use of natural resources, and also fines and compensation payments for damage inflicted on the environment, to be used as a priority for developing the social sphere and improving the ecological situation. Ten percent of the output of enterprises located in the region will be at the disposal of the "Siberian Accord." The issuing of permits for barter deals and the licensing of exports and imports of goods (works, and services) will also be a matter for local soviets rather than the center or the republics.

The RSFSR Council of Ministers is allocating 150 million rubles for specific purposes as an initial contribution to the association's special fund. Subsequently this fund will be replenished with money from Russia's republic budget earned on the association's territory. The Siberian branch of the USSR Academy of Sciences has been charged with providing the scientific backup for a number of programs for the development of Siberia.

The directive also contains many other fundamentally new provisions which pave Siberia's way to autonomy and to a better life for Siberians. However, the conference participants noted with alarm that all these innovations and opportunities could come to nothing if during the signing of the Union Treaty the so-called two-tier taxation system is approved, under which territories and enterprises would be obliged to pay funds into not just the republic but also the Union budget.

I am categorically opposed to a two-tier system, Boris Nikolayevich said, and yesterday I told Gorbachev that the following is also possible: We sign the Union Treaty, but separately state our disagreement with specific points. Incidentally, at present there are differences of opinion with the president on five points of the draft Treaty. Why do all republics with the exception of Russia and the Ukraine favor a two-tier taxation system? The answer is simple. They are all recipients of subsidies and are in fact receiving funds which are being siphoned off from the Russian budget. In my opinion we can provide this money to our neighbors only in the form of credits, to be paid back in accordance with a clearly defined time-table.

All the conference participants backed this stance by the Russian leader and signed a "Siberian Accord" members' statement containing a demand that the center introduce exclusively a single-tier taxation system.

The question of compensation to be paid to the population for damage caused as a result of the activities of the Semipalatinsk test range was also raised at the conference. A curious situation has arisen. Altay Kray, parts of which are much closer to the test site (and consequently have also suffered more as a result of the nuclear tests) than a number of oblasts in Kazakhstan for which corresponding compensation is envisaged [sentence as published].

We will strive not only for justice in this matter but also for an end to test range activities both at Semipalatinsk and on Novaya Zemlya, B. Yeltsin said, summing up.

After the signing of the directive a brief meeting was held between the head of the parliament and leaders of Siberian local soviets.

'Sources' Report Polozkov Resigns as Party Head

LD0507084691 Moscow TASS International Service in Russian 0827 GMT 5 Jul 91

[By correspondent Andrey Surzhanskiy]

[Text] Moscow, 5 Jul (TASS)—Ivan Polozkov, first secretary of the Communist Party of Russia—the biggest republic in the USSR—has issued a statement about his resignation from this post.

This was reported to a TASS correspondent, quoting "reliable sources," by Sergey Baburin, one of the leaders of the "Rossiya" parliamentary group and a well-informed politician.

However, the TASS correspondent's efforts to obtain official confirmation or denial of this information by the Russian Communist Party leadership have so far been to no avail.

Ivan Polozkov has recently been the subject of acute criticism as one of the bulwarks of conservatism in the CPSU.

Aide Says Rumors 'Fabrication'

LD0507094691 Moscow TASS International Service in Russian 0925 GMT 5 Jul 91

[By correspondent Igor Gvritishvili]

[Text] Moscow, 5 Jul (TASS)—"Russian Communist Party First Secretary Ivan Polozkov has not submitted a statement of resignation from his post, and any reports that he has are a pure fabrication." Genrik Pirogov, an aide to the leader of the Russian Communists, stated this to your TASS correspondent on the telephone.

Earlier today, Sergey Baburin, one of the leaders of the "Rossiya" parliamentary group, told your TASS correspondent that Ivan Polozkov had "resigned," citing "reliable sources."

Rumors of the "forthcoming resignation" of the leader of the Russian Soviet Federated Socialist Republic Communist Party have been circulating in a number of Moscow newspapers for several days.

Polozkov Denies Rumors

OW0507092091 Moscow INTERFAX in English 1530 GMT 4 Jul 91

[Transmitted by KYODO]

[Text] First Secretary of the RSFSR Communist Party's Central Committee Ivan Polozkov denied mass media reports that he intended to resign his post in his interview to IF's [INTERFAX] Vyacheslav Terekhov. "I have made no statement to this effect, and my resignation has never been on the agenda at any conference in Siberia or elsewhere," said he.

According to him, "the situation in the Russian Communist Party is very complicated, as it is in the country in general", and, therefore, party organisations are asking many guestions: "what, why, how, and who's to blame". Many party organisations, continued the Russian communist leader, voice criticism, including that directed against the leaders of the Russian Communist Party. "But no plenary meeting of a republican, territorial or regional party committee has moved that Polozkov resign or be dismissed," claimed he.

Asked about the status of the Russian Communist Party in relation to the general situation in the CPSU, Polozkov said that more than half the CPSU members were also members of the Russian Communist Party and, quite naturally, there is a wide difference of opinion among the membership as to the processes underway in the country. Hence, said the Russian Communist leader, a diversity of assessments and conclusions. Some members favour more radical reforms in the country and the party, others are more moderate, and still others are conservative and in favour of dogmatic approaches. The Russian Communist Party, says Polozkov, aim at pulling together such movements and uniting them in the interests of the revival of Russia and the prosperity of the Russians.

Addressing the possiblity of an extraordinary congress of the RSFSR Communist Party, he said he planned to move at the next Central Committee plenary session that either an extraordinary congress or a Russian party conference be convened. The plenary meeting will take place on August 6.

Press Conference on Moscow Administrative Reforms

PM0307142591 Moscow IZVESTIYA in Russian 1 Jul 91 Union Edition p 2

[Report by V. Belikov: "Moscow: Districts Instead of Rayons, Prefects in Place of Executive Committees"]

[Text] On 28 June journalists were familiarized with the basic provisions of the administrative reform planned in the capital at a press conference in the Moscow City Soviet building.

The reform of the city administration provides for the abolition of the city's existing division into 32 rayons and Zelenograd. These formations, shaped over 25 years ago and numbering populations of 70,000 to 700,000, have become unmanageable in practice. The rayon authorities are far removed from inhabitants' daily concerns.

The municipal districts created in place of the rayons (it is planned to form 120-130 of them throughout Moscow, each with a population of about 70,000) cover densely populated places and areas. In all their territory will cover about half the capital's present area. In particular possible names for the districts were given—"Taganka," "Khamovniki," "Dorogomilovo," and others. They are essential the present microrayons in which Muscovites live and rest, where children study and the elderly are treated in polyclinics. People's deputies are elected from these districts, and people's interests should be satisfied here as fully as possible and with a consideration for local conditions.

The municipal district soviet, in which about 30 deputies will work, headed by an elected chairman, is formed from the ranks of rayon deputies. The soviet is assigned the task of forming the district administration, which is responsible to the soviet for the provision of amenities and the maintenance of order, the municipal economy, and consumer services.

Who will be responsible for the "second half" of the city's territory—the large transport mainlines and engineering communications, all the main enterprises, the suburban parklands and installations of importance to the whole city? This, according to the design of the authors of the report, will be the duty of the leadership of nine administrative districts dividing Moscow into a central section and eight radial sectors plus Zelenograd.

The mayor appoints a prefect, who picks his own management apparatus, to each of the administrative districts. Their controlling organ and collective consultant will be a Soviet of 30-40 of the city's people's deputies. The chairman of the administrative district Soviet will join the permanent Moscow Municipal Soviet.

The capital's Municipal Soviet is the reorganized present Moscow Soviet, which retains all the powers of the supreme organ of representative power in the city—the adoption of the budget, the general plan, local norms, tariffs, and rules, and also control over organs of executive power and management. In staff terms the permanent Soviet is small—just 60 people. In addition to the chairman of the Moscow Soviet, his deputies, and the chairmen of the administrative district soviets it will be joined, on the proportionate principle, by people's deputies of the present Moscow Soviet. They are determined in accordance with a representational norm—one Soviet member for each 10 deputies.

After detailed explanations—taking about an hour—and a justification of the need to introduce a new structure for Moscow's management, your IZVESTIYA correspondent asked:

"How will the opinion of the capital's inhabitants themselves be ascertained regarding such serious transformations to the entire system of local power?"

The reply was as follows:

"These proposals were contained in the election program of G. Popov, who was elected mayor in March. All Muscovites who voted for him and thus expressed themselves in favor of the proposed measures for the decentralization of the capital's management have acquainted themselves with it."

On 2 July the Russian Soviet Federated Socialist Republic Supreme Soviet Presidium will examine the package of proposals for the administrative reform in Moscow.

RSFSR Supreme Soviet Session 2 July

LD0307085391

Moscow Russian Television Network in Russian at 2015 GMT on 2 July carries the 30-minute "At the RSFSR Supreme Soviet Session" program on proceedings at the 2 July session of the Russian Soviet Federated Socialist Republic [RSFSR]. Supreme Soviet session in the Kremlin.

At 2016 GMT Khasbulatov reports that on 1 July the Presidium discussed preparations for the coming congress. He invites Stapankov to speak on the next item on the agenda.

RSFSR Procurator General Stepankov delivers a report on the draft law on the procuracy. He explains why the procuracy is needed.

At 2029 GMT Khasbulatov invites questions. A deputy asks about relations between the Procuracy of the RSFSR and that of the autonomous republics.

Khasbulatov says that the RSFSR Constitution must be observed.

Next, a deputy asks about the financing of the procuracy and another deputy asks about unfilled vacancies in the procuracy service.

At 2039 GMT the draft law is put to the vote and adopted.

The announcer notes that during the afternoon and evening sessions the Supreme Soviet discussed amendments to law on privatizing state and municipal enterprises.

At 2045 GMT the announcer states that the discussion will be continued tomorrow.

RSFSR Supreme Soviet Proceedings 3 July

LD0307201891

Moscow Russian Television Network in Russian at 1840 GMT on 3 July, in its scheduled "At the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet" program, begins carrying recorded highlights of the proceedings at the RSFSR Supreme Soviet session in the Kremlin in Moscow on 3 July. Reception is good. Khasbulatov is chairing the session.

Khasbulatov asks the delegates to stand in memory of the victims of the Donbass mine disaster.

At 1842 GMT Deputy P.S.Filippov speaks on the draft law about the transfer of state and municipal enterprises. He suggests certain amendments. The law is then adopted in principle.

The debate on the law then continues. Deputy Timofeyev stresses that the privatization of enterprises must be made attractive to their workers. Filippov then speaks about opposition to privatization by workers, for instance, at a vegetable depot. Further deputies speak on the subject.

A deputy opines that privatization laws may be adopted but without the workers' cooperation they will come to nothing. He suggests that if the work collective is not in agreement with privatization a set procedure should be established.

At 1853 GMT Silayev says this matter is dependent on entrepreneurship and business. He says that we are speaking here about demonopolization, and the trouble is that we are dealing with giant complexes. He says that it is desirable for 75 percent of enterprises to be concentrated on consumer goods and services. He refers to mistakes made by Yugoslavia. He speaks of world practice in share-holding. He stresses the need to avoid social injustice in allocating ownership shares. In other words it would be unfair to pensioners and others if too many of the shares went to the workers, he suggests.

Silayev continues. He says that the fact that someone works at a particular enterprise must not give him an unfair advantage. World practice shows that if too many shares are owned by the workers of an enterprise decisions are taken that do not benefit production. He is in favor of the workers of an enterprise having 30 percent of the shares. He supports the position of Comrade Krasavchenko and his committee.

At 1907 GMT Deputy (?Lugovoy) asks Filippov a question about Union legislation.

At 1903 GMT Silayev contrasts Union and RSFSR positions on the percentage of the first subscription to the price of shares. A vote is taken on whether this should be 30 percent. This is rejected. Silayev says that the minimum first subscription must be 20 percent.

A deputy advocates a 30 percent minimum first payment on shares.

Silayev explains briefly that the position he put forward was that of the RSFSR Government.

At 1916 GMT deputies adopt an amendment that the minimum must not be below 20 percent.

A commission representative then presents a draft law on how USSR income tax legislation is to be applied on RSFSR territory.

At the evening session the deputies, discussed the change of status of four autonomous oblasts to soviet socialist republics within the framework of the RSFSR. The changes of status for Adygey Oblast, Gorno-Altaysk Oblast, Karachayevo-Cherkessk Oblast and Khakass Oblast are approved.

At 1926 GMT the report on the proceedings ends.

RSFSR Supreme Soviet 4 July Proceedings

LD0407202691

Moscow Russian Television Network in Russian at 1840 GMT on 4 July carries a 43-minute program of recorded excerpts from the Russian Soviet Federated Socialist Republic, RSFSR, Supreme Soviet session in Moscow on 4 July. Reception is good.

Ruslan Khasbulatov opens the sitting. There is a quorum. He urges deputies to settle some questions prior to plenary sessions in order to speed up the general pace of work.

At 1843 GMT an unidentified deputy urges that the bill on local self-government should be given priority. Another deputy says that the session is overloaded with bills, all competing for attention. Perhaps the bill on the RSFSR court of arbitration should be left for another day. Deputy Zolotukhin says that the passage of the bill on the court of arbitration requires urgent attention, since the relevant all-union law is about to expire. A deputy then speaks about the second reading of the bill on the privatization of housing. He reports on the changes introduced after the first reading by the Council of Ministers. After further exchanges, the draft bill on the privatisation of housing is put to the vote and is passed. Attention then focuses on the Council of Ministers decision to implement the new law, to which further amendments are proposed. The decision is put to the vote and is passed.

At 1903 GMT deputy (Grivennikov) speaks on the draft law on the RSFSR court of arbitration, specifying its powers. Deputy Stepankov speaks against passing the bill at the moment, saying that it needs further work to make it fit in more closely with other legislation. Rivenikov replies to Stepankov's objections and to those lodged by other deputies.

At 1918 GMT Khasbulatov puts the bill to the vote. It is passed in principle.

At 1919 GMT Deputy Lukin speaks briefly on the draft law on foreign investment (second reading). Deputies then make comments. Khasbulatov puts the decision implementing the law on foreign investment to the vote. It is passed.

At 1923 GMT the announcer says that the evening session was entirely devoted to the presentation of the law on local self- government in the RSFSR by Deputy Zhukov. The session resumes tomorrow.

The program ends at 1923 GMT.

Western Republics

Belorussian Supreme Soviet Deputies Visit U.S.

LD0207184991 Minsk Radio Minsk Network in Belorussian 0300 GMT 2 Jul 91

[Text] A delegation of the Belorussian Soviet Socialist Republic [SSR] Supreme Soviet headed by Kozlov, first deputy chairman of the permanent commission for international relations and external economic relations, is now in the United States of America on an official visit. During their stay in Washington, the members of the delegation visited Congress, the White House, and the State Department, where they met known U.S. legislators and leading activists of the U.S. Administration.

During these meetings the people's deputies of the Belorussian SSR informed their colleagues of the latest events in the political, economic, and social life of Belorussia. Great attention was paid to the process of working out, adopting, and signing a new Union treaty in accordance with the decision recently taken by the Belorussian parliament. During the meetings that took place in the U.S. capital, the Belorussian parliamentarians informed their colleagues in detail of the difficult consequences of the catastrophe that befell the Republic's people at the Chernobyl Nuclear Electric Power Station, and of the work directed at its dismantling.

How to make international cooperation more active in this sphere was also discussed. The role of the United States in granting help to the affected people was discussed. From Washington, the group of deputies of the Belorussian SSR Supreme Soviet went to New York and Detroit, where official meetings will continue. All the work of the delegation is carried out on the basis of the Declaration of State Sovereignty of the Belorussian SSR.

PRAVDA Covers Belorussian CP Plenum

PM0307151591 Moscow PRAVDA in Russian 2 Jul 91 Second Edition p 3

[Report "from the Belorussian Communist Party Central Committee plenum" by correspondents O. Stepanenko and A. Ulitenok: "Understanding Errors and Mistakes"]

[Text] Minsk—A Belorussian Communist Party Central Committee Plenum has been held. It discussed questions of the work of Communists in soviets, the organizational foundations of the Belorussian Communist Party's activity in present-day conditions, and the Belorussian Communist Party Central Committee's attitude toward the convening of a 20th All-Union CPSU Conference.

The alarming situation in the country and in the republic impinged on the discussion. The report by V. Tikhinya, secretary of the Belorussian Communist Party Central Committee, the closing speech by A. Malofeyev, first secretary of the Central Committee, and speeches by plenum participants voiced profound concern at the continuing disintegration of the national economy, the deterioration of the socioeconomic position of the working people, the exacerbation of the political situation, the increasing tension in all spheres, and conflicts developing into open confrontation. The destructive processes are reinforced by massive efforts to remove the party from sociopolitical life and prevent it from influencing organs of power and from being able to avert the approaching socioeconomic and political catastrophe.

"All this creates an atmosphere of instability and embitteredness," A. Yashchenko, a nurse at the Braginskiy Rayon hospital, said. "Against a background of general vilification of the party in press organs and in speeches by certain politicians, a weakening of executive authority in the republic, deteriorating discipline and law and order, and also mistakes in the economy, working people's distrust of Communists and of the party as a whole is growing. Communists are not ready to work in the new conditions, which results in disunity. Some Communist deputies think they are free from any obligation to the party; some, indeed, are acting against it.

The situation is exacerbated by mistakes by party committees operating unsystematically. Since the very first stage of the formation of the new organs of power—elections to the soviets—party organs have made mistakes for which there is no logical explanation.

"How do you explain a situation where five Communists are battling for one place in a Soviet, as happened in Minsk's Akademicheskiy electoral district, naturally trying to take votes from one another. As a result either no one got through, or the seat went to an opposition candidates, because she waged a more purposeful and skillful election campaign, without putting on pseudodemocratic performances," V. Semenkov, corresponding member of the Belorussian SSR [Soviet Socialist Republic] Academy of Sciences and deputy director of the Institute of Philosophy.

Many party committees just let the election campaign take its own course, while the opposition was organized and assertive, coordinating its actions. But subsequently too, during work in the soviets, Communist deputies lacked properly coordinated activity.

The plenum stressed the need for deputies to observe party discipline. Speakers noted that this is a law of the activity of any parliamentary party in the West. For any parliamentarian there party interests are paramount.

The plenum adopted a resolution calling for Communists' work in soviets to be regarded as a most important function of every party committee. Measures were outlined on improving forms and methods of work with Communist deputies, creating and strengthening party groups in soviets, and ensuring joint work between party committees and territorial deputies' groups.

The plenum ruled that it be proposed that the next CPSU Central Committee plenum adopt a decision on convening the 20th All-Union Party Conference in November-December.

The plenum drew Communists' attention to the emergency situation in the party and the country, which demands the adoption of immediate measures.

Belorussia Issues Instructions on Emigration Law

OW0507061391 Moscow INTERFAX in English 1530 GMT 7 Jul 91

[Transmitted via KYODO]

[Text] On Thursday, Belorussian Premier Vyacheslav Kebich signed a ruling spelling out the application of nationwide Soviet law regulating exit from and entry into Belorussia on the republican territory. The ruling sets a 200 rbl. levy, paid to the state, for the issuance to Soviet citizens and stateless persons of documents authorizing them to emigrate, no matter which country they are headed for. Another levy mentioned in the ruling is 30 ruble paid to the state for the issuance of invitations for those willing to visit the USSR.

Belorussia Discusses Cooperation With Mongolia

LD0307164791 Minsk Radio Minsk Network in Belorussian 0300 GMT 3 Jul 91

[Text] A delegation from the Mongolian People's Republic [MPR] which arrived in Minsk has approached the government of our Republic with a proposal to establish direct links between Belorussia and Mongolia. The delegation includes Dabaadorjiyn Ganbold, first vice prime minister, Nyamyn Mishigdorj, ambassador of the MPR to the USSR, and Jalbuugiyn Choynhor, first deputy minister of foreign affairs. During a good conversation with Mikhail Myasnikovich, first deputy chairman of the Belorussian Council of Ministers, both sides expressed their interest in mutually beneficial cooperation. Barter deals and joint ventures with various types of economic interaction would form the basis for this cooperation. Belorussia expressed its readiness to aquire [word indistinct] raw material, wool and down. Mongolia, 95 percent of whose exports are connected with the Soviet Union, is mainly interested in creating joint ventures.

Moldovan Official on Declining Joint Ventures

LD0407151991 Moscow TASS in English 0857 GMT 4 Jul 91

[Text] Kishinev July 4 TASS—"We are greatly interested in cooperation with foreign partners and in foreign capital investments in the republic's economy," Anatoliy Gavrilenko, Moldavian deputy minister of finance, told MOLDOVA-PRES news agency correspondents.

Joint enterpreneurship is hindered by the imperfection of legislation, the inflexibility of the economic mechanism, the uncompleted nature of the economic reform and the unreliability of partners. This is why, in many respects, the number of joint ventures began to diminish recently.

Only 14 joint ventures have remained in the republic this year as against 19 last year. They made goods and rendered services worth only 26.2 million roubles.

"We are aware that it is difficult to gain access to foreign markets at once," Gavrilenko said. "But we still hope for more fruitful cooperation with foreign partners".

"We have practically no joint ventures in the field of agriculture—the basic branch of the republic. Our major producers of electronics and other equipment and instrument-makers cooperate with foreign enterprises little.

"The government and parliament of the republic are doing much to attract foreign partners. A number of legislative acts are being prepared. We consider it advisable to develop ventures in the republic not only on the basis of foreign capital but also with foreign management and the invitation of qualified specialists. We shall create all conditions for our enterprises to be reliable partners of foreign firms," Gavrilenko said.

Ukranian Parliament Discusses Union Treaty

LD2806192391 Kiev Radio Kiev International Service in Ukrainian 2200 GMT 27 Jun 91

[Excerpts] The third session of the Ukrainian Soviet Socialist Republic supreme soviet continued its work today. Our presenter Volodymur Slipko and Serhiy Hubin are going to tell you more.

[Slipko] The main point at today's sitting was the discussion of the draft Union treaty.

[Hubin] By today, the draft had been discussed and approved by the parliaments of Belorussia, Kazakhstan, Kyrgyzstan, Tajikistan, and Azerbaijan. They have already formed plenipotentiary delegations for signing this political pact.

Concerning the Ukrainian Supreme Soviet, it has defined the following attitude: first; to adopt a new constitution for the republic and only afterward to tackle the question of whether it would be expedient to join this or that union. [passage omitted] The discussion was opened by Deputy Mykola Biloblotskiy, chairman of the parliamentary commission for social policy and labor.

[Begin recording] [Biloblotskiy] The overwhelming majority of members of my commission are in favor of the Union treaty since they believe that the union is badly needed today from both political and economic viewpoints. [passage omitted]

[Deputy Holovatiy, specialist on legal matters] Let us start from the title of the treaty: A Treaty on the Union of Sovereign States. The notion of a union of states, as it is generally accepted in the whole world, in juridical literature and practice, and in any country, means confederation. It was precisely to be part of a union of sovereign states that 80 percent of Ukraine voters cast their votes.

Now, let us compare the title of the draft with its contents. Right at the beginning, in fact in the second sentence, we read: The Union of Soviet Sovereign Republics is a sovereign federative state. Let us then ask what the word federation means? According to the dictionary, federation is a state stucture where several state-like units, I repeat state-like units, not sovereign states, which possess a certain degree of political independence and not state sovereignty, join together into a single union state. Thus, the draft contains all the features of a federation. The qustion arises: What do we, deputies of the Ukrainian Parliament, have to do with the other document, I mean the declaration on the state sovereignty of Ukraine? For in the declaration we referred to Ukraine not as a state-like unit, but as a state which exercises the supremacy, independence, integrity and indivisibility of power within the boundaries of its territory. Thus, this draft composed by Gorbachev is a deception of union republics. [passage omitted]

[Deputy Shulkha, chairman of the parliamentary commission] The views of members of my commission vary. In general, they boil down to main stands and to three proposals. The first stance: No discussions should be held on any draft of the Union treaty, to exclude the question from the order of the day altogether, the main argument being that it is too early to talk about it since Ukraine is not a sovereign state yet. The referendum of 17 March does not give enough ground for signing the treaty. This treaty is being imposed upon us from the top and it does not meet our declaration on sovereignty. To sign it would mean to commit a crime. This view is held by five members of the commission.

Second stance: The treaty should be reviewed and studied. Ten members of the commission favor this step. However, they insist that apart from the president's draft we should also review the drafts submitted by individual deputies and groups. They believe that the parliament should form a working group that would draw from all the drafts and then submit a single variant to us. There were also proposals to the effect that the creation of a union of sovereign states in the form of a federative state may proceed, while Ukraine, some time later, would join this federation on special and specific conditions. The third proposal: Today, we should not only review the treaty, but also approve it as a whole. [passage omitted]

Ukrainian Leader Talks to People in Kharkov

LD0207212191 Kiev Radio Kiev International Service in Ukrainian 2200 GMT 1 Jul 91

[Text] Leonid Kravchuk, chairman of the Ukrainian Supreme Soviet, continued his visit to Kharkov Oblast today. He met with representatives of work collectives, the public, young people and the military. Problems connected with work of the Ukrainian parliament, signing the Union treaty, achieving real sovereignty by the Republic and social protection of the population in conditions of shifting to the market economy were the focus of attention. Listens to a recording of one such meetings between Leonid Kravchuk and inhabitants of Kharkov.

[Begin rewording] [Kravchuk] In order to join a union or sign something we must know what we are signing. [crowds of people shout "Freedom to the Ukraine" in the background while Kravchuk speaks]

[Unidentified speaker] I read the draft Union treaty!

[Kravchuk] Did you read the Supreme Soviet resolution?

[Speaker] [Words indistinct] so why are you dragging it out?

[Kravchuk] We said: Until we examine it...

[Speaker interrupting] We hear that on the radio and television.

[Kravchuk continuing]...until the Union treaty corresponds to the constitution and the economic independence of the Ukraine we will not be able to sign it. The thing is that if a person wants to go to the forest he or she must know the way and be sure that he or she will return from that forest. This is the most important thing. If we want to join the Union we must know what sort of union it is, what rights it gives us, what positive and what negative sides it has, whether it corresponds to the interests of the people, our declaration and our (?economic independence).

If we sort all this out, as they say, then the question of what to do arises. If we approve the treaty the declaration has to be abolished and it was voted for by the constitutional majority. How can we do that? it can not be abolished by anybody. It is eternal for us. Maybe it does not yet correspond to everything we wanted, today we would perhaps adopt a different declaration than we adopted then. But we adopted it at the time when it was difficult and decided to build a sovereign country. This is the most important thing.

[Speaker] You made a good decision.

[Kravchuk] We made a good decision. And if we start changing the declaration then it is not a declaration.

[Speaker] Leonid Makarovych, we wont to know whether you are after a son of the people more than a son of the party. Unfortunately these two are not identical things nowadays. [laughter can be heard in the background]

[Kravchuk] Now any party, if its policy captivates people, will become a party of millions tomorrow. One must look at these things with a sense of reality. There are parties which really put forward noble goals and there are parties which go after goals that are not completely noble. I know statues and programs of many parties. Now the communist Party is not a uniform organization. It is diffused. There are different views, different opinions but to accuse the whole of the party...I would like you to know that with all the rest of it those forces which belong to the party and now take the progressive path, the path of reorganization, they still have substantial specific gravity and (?we can not reject them). [end recording]

Ukraine Supreme Soviet Pressured by Demonstrators

PM0307135991 Moscow PRAVDA in Russian 1 Jul 91 Second Edition p 2

[Correspondents M. Odinets and I. Tikhomirov report under the rubric "At Republic Supreme Soviets": "Where the Watershed Lies"]

[Text] Kiev—At the end of last week the Ukrainian SSR [Soviet Socialist Republic] discussed the draft Union treaty. As was to be expected, the atmosphere in the auditorium was electric. The previous day the opposition People's Council called on Kiev people and the population of the Ukraine to express their attitude toward the Union treaty and to take part in a demonstration. It was planned to be held on Kirov Street beside the Ukrainian SSR Supreme Soviet building. Last Friday morning several hundred people with yellow and blue flags gathered in October Revolution Square.

Meanwhile, discussion of the draft treaty had begun in the parliamentary auditorium. The first half hour was spent reading out statements by the majority group of deputies and the resolutions of the rally organized by the People's Council. The document was full of malicious attacks on the Union, the CPSU, the Ukrainian Communist Party, the Soviet state, and our history.

In order to reinforce their shaky position, the People's Council—as has happened in the past—tried to exert outside pressure on the parliamentarians. The "reinforcements" concentrated in the square approached the Supreme Soviet building led by deputies. Since the demonstration was unsanctioned—the Ukrainian SSR Supreme Soviet had adopted a resolution that such events should take place only outside of worktime and on nonworking days—its participants had to break through militia cordons. And the event's organizers exploited the people, whipping up feelings and provoking clashes.

The Supreme Soviet instructed its standing commissions to examine before 1 September the draft treaty on the Union of Sovereign States submitted by the USSR president as regards its correlation with the provisions and principles of the Declaration of Ukrainian State Sovereignty and the Law on the Ukrainian SSR's Economic Autonomy. The republic's Council of Ministers and Academy of Sciences should prepare before then economic calculations and legal conclusions regarding the Ukraine's joining the Union on the terms defined by the draft treaty. By 15 September the working group will generalize the submitted documents and the proposals and comments made by people's deputies about the draft treaty. With this considerable work behind it, the Supreme Soviet will make the fateful decision for the Ukrainian people.

Ukrainians Said Jeopardizing Anti-Crisis Program

OW0407211491 Moscow INTERFAX in English 1230 GMT 3 Jul 91

[Transmitted via KYODO]

[Text] Addressing a session of the Supreme Soviet today, the Soviet deputy PM [prime minister] Vladimir Sherbakov said that the Ukraine's refusal to give its backing to a joint anti-crisis program was motivated mainly by its unwillingness to supply the rest of the country with goods from its industrial complex and called upon the country's parliament to issue an unequivocal condemnation which recognised the illegality of the Ukrainian government's decision.

Lvov Regional Council Censures Nationalists

OW0507034891 Moscow INTERFAX in English 1930 GMT 4 Jul 91

[Transmitted via KYODO]

[Text] The Lvov Regional Council has for the first time formally disavowed today, Thursday, the actions by radical nationalists during the celebrations of "June 30 act". That was the day in 1941 when the Ukrainian nationalists who had entered the city with Hitler's army, proclaimed restored "independence" of the Ukrainian state.

Actions held in Lvov on June 30 by membes of the Ukrainian Nationalist Union were unsanctioned by the authorities. The regional council has now pledged to prosecute the organizers.

The council's statement resolutely condemns the extreme nationalist slogans heard on June 30 and describes the participation in the action by Deputy Oleg Vitovich as incompatible with his status and detrimental to the Ukraine.

Ukraine Begins Implementing Employment Law

LD0307093991 Moscow All-Union Radio Mayak Network in Russian 2230 GMT 2 Jul 91

[Excerpts] A law on employment has begun operating on the territory of the Ukraine. [passage omitted]

There are 500 registered unemployed in Nikolayev oblast. These are predominantly people dismissed because of staff cuts or as a consequence of the closure of enterprises. However, according to the information of OSU [expansion unknown] the oblast center for employment of the population, over 10,000 people are out of work today in the oblast center alone. In spite of a decision by the oblast executive committee to set up a fund for employment of the population amounting to 17 million rubles, no money has yet come into that fund. Many enterprises are having trouble finding the resources to compensate for price rises and are cutting back on their own social programs. What is more, employment centers in a number of districts do not even have premises of their own yet. Thus, the specter of unemployment is becoming reality, while hopes for social protection of the unemployed population remain nothing but a dream.

Ukraine Seeks German Investment, Technology

LD0307154691 Hamburg DPA in German 1423 GMT 3 Jul 91

[Text] Kiev (DPA)—The chairman of the presidium of the Ukraine, Leonid Kravchuk, has spoken in favor of direct investment and technological aid from the West to the Ukraine. In an interview with DPA in Kiev, Kravchuk said today that he hoped that the visit of Federal Chancellor Helmut Kohl to Kiev on Friday would benefit the Soviet Union and the Ukraine. Kohl will meet Soviet President Mikhail Gorbachev in Kiev.

According to Kravchuk, 40 percent of the Soviet soldiers withdrawing from the former GDR will find a new home on the territory of the Ukraine. Construction of Army dwellings with German aid was planned in 17 sites in the second largest Soviet republic.

With a view to independence efforts by Soviet republics and in particular, the Ukraine, Kravchuk called on the West to make a discriminating judgement. "I understand that breaking up is not a pleasant thought for the West," he said. "But it is not a democratic policy to forbid a people to formally fight for their freedom."

Kravchuk favors investment from industrial states and they flow of progressive technology to the Soviet Union and to the individual republics. From Germany, the UKrainians expect "good and active" economic cooperation on a reciprocal basis. "The Ukraine has to be given the opportunity to develop its industry itself," he added.

Ukraine Protests 'Biased' Vremya Coverage

LD0407193991 Kiev Radio Kiev International Service in Ukrainian 2200 GMT 3 Jul 91

[Report by Svitlana Zadvorna from the session hall of the Ukraine Supreme Soviet in Kiev, with recorded remarks by Chairman Leonid Kravchuk and deputies]

[Excerpts] [Zadvorna] [passage omitted] Deputy Roman Lubkivskyy from Lvov raised the question on biased reporting of Ukrainian events by the central TV network.

[Lubkivskyy] I am addressing you [Kravchuk] for the second time with a request to turn attention to the fact that all-union TV channels virtually every evening conduct a deliberate anti-Ukrainian campaign in the ether. By taking separate facts out of the context, which do not reflect the whole spectrum of life, the editorial of the Vremya program tries to color them by subjective interpretation. This ideological pressure aims at only one thing: to turn the attention of millions of people away from the collapse of the totalitarian system and free the chauvinistic instincts of the Philistine.

The deliberate pattern of these actions is nothing other than an ideological skirmish toward a possible surgery on the republic's state sovereignty and attempts to compromise democratic transformations in Ukraine. Interference in the internal affairs of a sovereign republic and great-power arrogance—that is how one could describe the attitude of Vremya to Ukraine.

I demand the following: The parliamentary commission for glasnost should prepare a draft decision of the Supreme Soviet on this matter; the republic's procurator, Deputy Potebenko, should initiate criminal proceedings against the editorial of the vremya program for fanning up inter-nationality and inter-religious enmity; and the appropriate government departments should tackle the question on depriving its correspondents in Ukraine of accreditation for creating provocations.

To the above, I would add this: Many deputies in towns do not know the genuine state of things. They approach me in rural constituencies of Lvov and Ternopol oblasts and, refering to our deputies, quite fairly ask me: What is going on over there?

I am telling you this because on 1 July the Lvov Oblast Soviet published a decision which provides all the answers. The Oblast Soviet has nothing in common with certain individuals who by their behavior feed political insinuations and provocations. I consider that this question is one of principle since it brands our entire republic with a hostile image. Thank you.

[Zadvorna] Leonid Kravchuk, chairman of the Supreme Soviet, replied thus:

[Kravchuk] I think that the parliamentary commission for glasnost should be entrusted with reviewing all materials which refer not only to western oblasts of Ukraine. Of late, I have also come across several materials, which could not be regarded outright as lies, but rather biased, crudely written, in an offensive language. And all this about Ukraine and its people. Various insinuations are let out. Over there, they present Ukraine as a republic which has already embarked on a road incomprehensible for many. During my visits to Kharkov and Dnepropetrovsk, numerous questions were shot at me for audiences. And I became aware that those people were well prepared by someone. We must draw up a calm and balanced statement and tell the truth.

[Zadvorna] Deputies Volodymyr Kulinets and Bohdan Horyn also did not mince their words. They said, among other things:

[Kulinets] Kulinets, representing the Ukraine Republic Party [URP]. I propose to include in the parliament's paper orders for this week the review of the unlawful decision on Stepan Khmara which was passed with at least four violations of the law.

On behalf of the deputy group of the URP, of its radical faction, I declare: if doing this week the unlawful decision is not reviewed, we shall not permit the display of reactionary unlawfulness in Ukraine's supreme legislative organ. We shall resort to most active methods of protest, including blocking the rostrum of the Supreme Soviet.

[Horyn] I propose to introduct into the agenda a point for the chairman of the Supreme Soviet to provide information on the arrival in Kiev on 5 July of Helmut Kohl, federal chancellor, and Mikhail Gorbachev president of the centro-union. The thing is that electors ask us: Will Leonid Kravchuk, chairman of the Supreme

Soviet, take part in that meeting? What is the attitude of these statesmen to ukraine, do they regard it as sovereign republic or as an administrative territorial unit? Will not this meeting be used as a sort of Soviet-German pressure on sovereign Ukraine?

[Zadvorna] [passage omitted] The session then passed the bill on republican and local referenda in the second reading. During the discussion some speakers noted that several problems have already piled up which can be solved by an all-Ukrainian referendum. Among them is the question on whether the Supreme Soviet is trusted by the people. [passage omitted]

Roundup of Ukraine Supreme Soviet Activity

LD0507102691 Kiev Radio Kiev Network in Ukrainian 1900 GMT 4 Jul 91

[Text] The third session of the Ukraine Supreme Soviet continued its work today. At the morning sitting discussion continued on the resolution to partially stop the effect of certain legislative acts during the fulfilment of the program on stabilizing the Ukrainian economy. It was decided in particular to introduce republican customs tariffs to foster the importation of goods into the republic. The utilization of profits for financing industrial, scientific-research, project-design, and information services which are not envisaged by state order, and also for financing mediatory activity by organizations which are not directly engaged in trade, has been stopped.

The discussion on the second reading of the draft law on making alterations and additions in the Ukraine constitution in connection with the founding of the status of presidency started at the session. During the discussion of alterations and additions, differences appeared in opinions as regards the parliament's right to veto presidential decrees, and the expediency of founding the post of vice president. The third session of the republican Supreme Soviet will continue its work tomorrow.

Western Republics

Georgian Leader on Republic Issues, Center Ties

PM0507084791 Moscow IZVESTIYA in Russian 5 Jul 91 Union Edition p 2

[Report by Vl. Arsenyev: "Zviad Gamsakhurdia: No Discrimination in Georgia"]

[Text] On 3 July Georgian President Zviad Gamsakhurdia met with journalists at the Georgian permanent mission.

It was in many ways an unsual news conference. In the first place, Zviad Gamsakhurdia had never had such a meeting in Moscow before. In the second place, he was not alone, and, after answering the questions put to him, he introduced Issa Kodzoyev, leader of the "Niyskho" ("Equality") democratic party of Ingushetia. The fact that Zviad Gamsakhurdia opened the news conference in English was also quite unexpected—particularly to Moscow journalists. All the questions were initially put by foreign correspondents in English, and there was one question in Georgian. It was only the IZVESTIYA correspondent's knowledge of both languages that enabled him to deal with this "new reality."

What did Zviad Konstantinovich talk about? He was angry about USSR Prime Minister Valentin Pavlov's 30 June order on the return of USSR state reserve foodstuffs and industrial goods stored on Georgian territory. They include many tonnes of meat, canned meat, fish, and dairy products, sugar, soap, rendered fat, tea, salt, cotton, and other goods. Gamsakhurdia pointed out that the USSR Cabinet of Minsiters had taken these steps at a time when the republic had not yet recovered from the terrible earthquake.

More than once during the news conference, the Georgian president referred to machinations by the center aimed at destabilizing the situation inside the republic. Although, as he emphasized, the center's power is waning daily and will soon be utterly illusory. According to him, the "Kishinev Forum," which ended during the week in Tbilisi, demonstrated that the republics can communicate with one another freely, without the center's mediating in any way.

There was a question about whether Gamsakhurdia expected any military interference in Georgia's affairs. Yugoslavia, he said, has set a bad example, but that is scarcely likely to be repeated here. Military interference would only occur, he said, if the "Soyuz" ["Union"] deputies' group were to come to power, but the Georgian president ruled out that danger.

Concerning the right to citizienship in Georgia... Anyone currently residing in the republic has it, irrespective of nationality. Only those who are irremediably opposed to independence—this to be determined by a special commission—will not be given citizenship. There will be no more than 50,000 of these people, Gamsakhurdia believes. After all, he added, in the United States they are not going to give citizenship to Iraqi terrorists, for example.

Concerning relations with Ossetians, Abkhazians... They need cultural autonomy, no one disputes that, Gamsakhurdia said; however, the republic government has absolutely no intention of pandering to the Ossetian separatism, their wish to detach age-old Georgian lands. As for the question of the Abkhaz ASSR [Autonomous Soviet Socialist Republic] leadership's signing of the Union treaty, the government of the Republic of Georgia similarly categorically rejects the very possibility of such a step.

Concerning contacts with the Union leadership... There are practically none, although the republic government is doing all it can to arrange contacts. Moscow does not like Georgia's independence course, Gamsakhurdia said, hence all the obstacles. Contacts with the Russian government, on the other hand, have a great future. Zviad

Gamsakhurdia sees Boris Yeltsin as a democrat. Relations are also developing successfully, he said, with a number of Western countries. Hungary, in particular.

Answering IZVESTIYA's question about his opinion of the Democratic Reform Movement, whose leaders include Eduard Shevardnadze, the Georgian president said:

"Until I understand the position of the people who have gotten together in this movement I have nothing to say regarding the preservation of the USSR and the CPSU...."

Gamsakhurdia answered a number of other questions which he is always asked—about Ioseliani, who was head of "Mkhedrioni," about Kulumbegov, who was also arrested during the Ossetian-Georgian conflict, about relations with the opposition and with journalists. The answers were the same as before. The gist of them is that there has been no discrimination against anyone. In fact, the measures that were taken made it possible to control the situation and to a large extent saved the republic from escalating armed conflicts and, perhaps, even from civil war.

Let us add that Zviad Gamsakhurdia's visit to Moscow was unofficial. He came at the invitation of the American ambassador to join him at a dinner celebrating U.S. Independence Day.

EC Membership, 'Pressure' Viewed

LD0307174991 Moscow Russian Television Network in Russian 1700 GMT 3 Jul 91

[Remarks by President Zviad Gamsakhurdia at a news conference in Moscow on 3 July, in reply to questions by unidentified correspondent; from the "Vesti" newscast—recorded]

[Text] Today in the Georgian Government's permanent mission, President Zviad Gamsakhurdia gave a news conference. He has come to Moscow at the private invitation of the U.S. ambassador for the U.S. national holiday, Independence Day.

[Correspondent] Does Georgia intend to become a member of the European Community, with full rights, in the forseeable future?

[Gamsakhurdia] Georgia wants to become a member of the European Community, and it recognizes all acts on civil and human rights—not only recognizes but constructs, so to speak, its internal and foreign policy on all this.

[Correspondent] Is there a danger of direct military pressure on Georgia from the center?

[Gamsakhurdia] Such a danger always exists. It exists especially if a military coup happens here in the center, and forces such as the deputies' group Soyuz win, and so on. If black forces win here, then this is very probable. At the moment, in my opinion, it is not very likely.

'Economic War,' Independence Viewed

LD0307205391 Moscow Radio Rossii Network in Russian 1900 GMT 3 Jul 91

[Text] Georgian President Zviad Gamsakhurdia gave a news conference in Moscow today. Our correspondent Nikolay Artemev reports:

[Artemev] There were many foreign and domestic journalists at the news conference, which took place in a fine old mansion in Arbat district. The hall was full. Georgian President Zviad Gamsakhurdia replied brilliantly to questions in Russian, English, and of course Georgian. Before the news conference we received a copy of the order of the USSR Council of Ministers signed by Prime Minister Valentin Pavlov according to which on the territory of Georgia strategic state reserves containing industrial goods and food supplies will be released and handed over to the disposal of the troop units of the USSR Ministry of Defense, the USSR Internal Affairs Ministry, and the USSR KGB stationed in Georgia. Zviad Gamsakhurdia called this economic war against Georgia.

On the question of relations with the republics, Mr. Gamsakhurdia said Georgia supports President Yeltsin and Russia's democratic parliament. Zviad Gamsakhurdia said that a treaty might soon be signed between Russia and Georgia. He supported the idea of Kazakhstan President Nursultan Nazarbayev expressed today at a meeting with the press, of holding a meeting of the leaders of all the republics without the participation of the center. We don't need the center, said Zviad Gamsakhurdia. It can cause disharmony.

The question of Abkhazia naturally also arose. Presenting his viewpoint on this problem, Gamsakhurdia said Abkhazians comprise 17 percent of the population of Abkhazia. They are a national minority, and no one would allow them to separate such a large territory from Gerogia. Zviad Gamsakhurdia considers the Abkhazia question to be a provocation from the center. He also described as a provocation the recent blockade by extremists of facilities of the Soviet Army on Georgian territory. That, he said, could lead to conflict with the military and in consequence to the introduction of troops.

On the situation in South Ossetia, the president of Georgia said that no such autonomous entity exists. It was, as he put it, a state formation thought up by the Bolsheviks. As for relations between the peoples, Ossetians and Georgians have lived together for centuries.

When will Georgia really become an independent state with its own finances, borders and other attributes of statehood?

In about two years, said Mr. Gamsakhurdia, unless the conservatives have seized power by then.

Lastly, Zviad Gamsakhurdia said that he had not yet decided how to regard the proposal to set up in the country a broad democratic movement whose authors include Eduard Shevardnadze. These people, said the president of Georgia, must first clearly define their attitude to the CPSU and to the independence of the republics and repent of their past sins.

Views Democratic Reform Group

LD0307221391 Moscow Russian Television Network in Russian 2000 GMT 3 Jul 91

[Video report by unidentified correspondent on a news conference by Georgian President Zviad Gamsakhurdia in Moscow on 3 July, including recorded answers to questions and interview after the news conference; from the "Vesti" newscast]

[Text] The question of attitudes toward the new political organization [Movement for Democratic Reform] was discussed at a meeting today between Georgian President Zviad Gamsakhurdia, who has come to Moscow on a private visit, and journalists.

[Gamsakhurdia] I will hold back. On the whole, I will not express a definite position. You know why—because I do not know myself yet.

[Correspondent] The president elaborated that he is interested in the position of the new democratic movement with regard to the CPSU and questions of independence for the republics.

[Gamsakhurdiya] When they reveal their position, and everything is clear on these two issues, then I can tell you my opinion. For the time being, I do not know. On the face of it, everything is fine. You understand.

[Correspondent] Zviad Gamsakhurdia expressed the conviction that serious economic reform is possible in individual republics, and not in the Union as a whole. In developing this theme he subjected Pavlov's government to sharp and temperemental criticism, characterizing it as a reactionary, communist cabinet. After the news conference, the Georgian president agreed to give an interview to "Vesti."

Mr. President, what is your attitude to the results of the Russian presidential elections?

[Gamsakhurdia] These elections pleased me a great deal. Not only because the victor was a man who is welcomed by all healthy democratic forces, but also because Russia has risen to such a level. This pleases me.

State of Emergency Near Nagorno-Karabakh Lifted

LD0407153291 Moscow TASS in English 1514 GMT 4 Jul 91

[Text] Moscow July 4 TASS—Taking into account the easing of tension in Azerbaijan's Geranboy and Dzhebrail districts adjacent on the Nagorno-Karabakh Autonomous Region, President Mikhail Gorbachev today issued a decree lifting the state of emergency in these districts imposed under the decree of the Presidium of the USSR Supreme Soviet of January 15, 1990.

The presidential decree takes into account the statement by President of Azerbaijan Ayaz Mutalibov that all measures will be taken to ensure the safety of the people living in the zone of the Karabakh conflict, preclude cases of unlawful resettlement of local inhabitants and observe the exercise of human rights and freedoms guaranteed by the Soviet Constitution.

Villages in Nagorno-Karbakh Attacked by OMON

LD0307180491 Moscow Russian Television Network in Russian 1700 GMT 3 Jul 91

[From the "Vesti" newscast]

[Text] According to reports received from Armenian sources, internal troops and the Azerbaijani OMON [Special Purpose Militia Detachment] attacked the Armenian village of (Karantak) Shushinskiy rayon, Nagorno-Karabakh Autonomous Oblast at dawn today. The male population were taken away in the direction of the Azerbaijani town of Lachin. By morning virtually all Armenian villages of (Syranskiy) rayon in the Nagorno-Karabakh Autonomous Oblast were surrounded. Military equipment, trucks, and buses are being used to deport the population. Units of the Soviet Army are not participating in the operation.

I repeat that we received this information from Armenian sources. We rang the Azerbaijani permanent mission in Moscow but its workers have not yet been able to either confirm or deny this report.

Postal Links With Armenia Cut Off After 'Raid'

LD0307222191 Moscow Radio Rossii Network in Russian 1900 GMT 3 Jul 91

[Text] Today we received a report from the permanent mission of the Council of Ministers of the Armenian Soviet Socialist Republic attached to the Council of Ministers of the Union. It says, among other things, that today in Martuni Rayon several villages came under attack, and six persons were detained. All villages of Askeran Rayon are surrounded.

In Stepanakert, a raid has been mounted on the urban post office, and it has been announced that from today postal links with Armenia have ceased. We remind you that this was a report from the Armenian permanent mission.

Armenian Pan-National Movement Official Queried

LD0407090691 Moscow All-Union Radio Mayak Network in Russian 1349 GMT 3 Jul 91

[From the "Mayak Panorama" program]

[Text] We received this tape from Yerevan. The Armenian Pan-national Movement [AOD] held a news conference for representatives of local, central, and foreign mass media. Our correspondent (Koryun Khumaryan) reports:

[(Khumaryan)] I would like to remind you that AOD—that is, the Armenian Pan-national Movement—is today the most influential public political organization in Armenia. As a result of the summer elections last year, it won a majority in the republican Supreme Soviet, and formed what then seemed to us to be a government of public trust. Moreover, several months ago the Supreme Soviet gave the chairman of the republican Council of Ministers what were in essence emergency powers. It is evident, however, that the people's trust is not unbounded. Furthermore, as writer Vano Siradegyan, chairman of the board of the AOD said when opening the news conference, the republic's government has in the past months made a number of major mistakes, which have entailed considerable fall in the prestige of the pan-national movement.

After the news conference I requested an interview for Mayak radio with Vano Siradegyan.

[Begin Siradegyan recording] When we are following the path of establishing national statehood, this means that the old structures must sometimes be destroyed, and new structures have to be formed. In such a situation of dual power, time has already shown that it will lead to no good, since executive authority always strives, by its very nature, to gather all power. That is what has happened, in fact. The Supreme Soviet has been left with nothing. The Supreme Soviet adopts laws, but it cannot put these laws into effect. Supreme authorities have supervisory functions, but these are not backed up by any real levers. It is understandable that we cannot go on living like this, because social tension is strong. The cadres policy of the governemnt is a damaging one, which (?alters) the social base on the government's part, because every authority, to fulfil its program of reform has to rest upon its social base. Our government decided, eight or 10 months ago, to create a new social base for itself, but no government has taken this path, because it is not a realistic path, and such a policy is not a far-sighted one. It loses the old social base, and while acquiring a new one, is left hanging. [end recording]

Military Detachment Attacked in Armenia

LD0307150991 Moscow TASS International Service in Russian 1430 GMT 3 Jul 91

[Text] Yerevan, 3 July (TASS)—TASS correspondent Tigran Liloyan: As reported today by the Armenian Ministry of Internal Affairs, in the early hours of 2 July, at 0005 Moscow time, four armed persons attacked a military detachment deployed to guard a military helicopter which crashed on Sunday morning near the village of Noravan in Sisiyanskiy Rayon in southeast Armenia. In an exchange of fire, a sergeant was killed and a soldier was wounded. Four automatic weapons, a machinegun, and cartridges were stolen.

The Armenian Ministry of Internal Affairs is searching for the criminals.

Central Asia

Nazarbayev on Union Treaty, Tengiz 'Scandal'

PM0507101991 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Jul 91 p 1

[Report by O. Saprykina: "Nazarbayev's Position"]

[Text] Kazakh SSR [Soviet Socialist Republic] President N. Nazarbayev held a news conference for Soviet and foreign journalists yesterday [3 July].

As is well-known, Kazakhstan was one of the first four republics to advocate preserving the state and drawing up a new Union Treaty. Today the Kazakh SSR's position remains the same. It is impossible for one republic alone to escape from the crisis, Nazarbayev believes; experts estimate that the economy will receive a 5- to 10-percent boost as a result of West European unification. Yet we want to destroy what we have.

For that reason the Kazakh president took a positive view of the fact that 13 republics were present the day before yesterday to discuss the government's anticrisis program. They will probably all come back to this program once more, he remarked, in order to finally decide what M.S. Gorbachev should submit at the G-7 meeting.

Particular attention was devoted to the Kazakh Government's stance regarding the Tengiz scandal. Nazarbayev announced that republic experts have been working on the draft contract for three years. Yet after "studying" everything for a week, the State Planning Committee's commission of experts kicked up a fuss unobjectively. Today a Kazakh delegation is visiting the United States to finalize this question: "The results will be clear once their work is finished. I favor the talks continuing," Nursultan Abishevich stressed.

Tajikistan Lifts Dushanbe State of Emergency

PM0507103991 Moscow IZVESTIYA in Russian 2 Jul 91 Union Edition p 2

[Report by Aleksandr Karpov under "Direct Line" rubric: "State of Emergency Lifted"]

[Text] Dushanbe—Toward the end of the work of the Tajik Supreme Soviet session the deputies adopted a resolution lifting the state of emergency in Dushanbe.

It was imposed in February last year, at a time when the Tajik capital was beset by mass disturbances. For 16.5 months the city has lived under the laws of the emergency regime, and this is probably the only case in the country of so prolonged a use of this regime. This was what the republic parliament resolved. At the first session of the present convocation of the Tajik Soviet Socialist Republic Supreme Soviet the deputies decided that the state of emergency would remain in force until the republic prosecutor's office had concluded its investigation into the crimes committed during "Black February." This work is now being completed. The trial of a group charged with organizing pogroms is in progress in Dushanbe. This will probably be the last trial associated with last year's tragedy. More than 100 people who participated in the disturbances have already been convicted.

All this time—month after month—the situation in the city has been stabilizing. The state of emergency was manifested outwardly only in the local press' publishing of Supreme Soviet decrees allowing soccer matches and other mass events to be held. At the session just ended the discussion was brief. The conclusion: The need for emergency measures has passed.

Religious Freedom Law Adopted in Uzbekistan

LD0307082391 Moscow TASS International Service in Russian 1119 GMT 2 Jul 91

[By TASS correspondent Irna Grebenyuk]

[Text] Tashkent, 2 Jul (TASS)—The law "On freedom of conscience and religious organizations" adopted at the latest session of parliament of the Soviet Central Asian Republic of Uzbekistan came into force today. It guarantees citizens the right to freedom of belief and the protection of believers' rights and interests. For the first time religious organizations are recognized as legal persons from the moment their charters are registered. Citizens of Uzbekistan, regardless of their attitude to regligion, are equal before the law. Establishing any advantages on this basis, insulting people's feelings in connection with religious or atheistic convictions and profaning religious relics incur liability under by law.

Religious administrations and centers have been granted the right to set up freely spiritual educational establishments for preparing clergymen. Such educational establishments are registered by Uzbekistan's Ministry of Justice. There are now in the republic the Mir-Arab madrasah in Bukhara—a religious school for Muslims, the Imam al-Bukhari Higher Islamic Institute, and an Orthodox religious school in Tashkent. Judaic religious schools, Protestant Sunday schools, and others have opened in the republic recently.

According to the new law, religious organisations enjoy the right to freely publish and circulate religious literature. The spiritual administration of the Central Asian Muslims has started bringing out the ISLOM NURI ("Ray of Islam") newspaper, and the MUSLIMS OF THE SOVIET EAST magazine is being published. The Central Asian Orthodox eparchy is preparing the SLOVO ZHIZNI weekly.

Religious organizations have been granted the right to freely establish international links with their coreligionists, to go on pilgrimage, to dispatch their representatives to study abroad, and to receive foreign students.